

**Notice of a public meeting of
Executive**

To: Councillors Steward (Chair), Aspden (Vice-Chair), Ayre, Brooks, Carr, Gillies, Runciman and Waller

Date: Thursday, 26 November 2015

Time: 5.30 pm

Venue: The George Hudson Board Room - 1st Floor West Offices (F045)

A G E N D A

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democracy Support Group by **4:00 pm on Monday 30 November 2015**.

*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any called in items will be considered by the Corporate and Scrutiny Management Policy and Scrutiny Committee.

1. Declarations of Interest

At this point, Members are asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

- 2. Minutes** (Pages 1 - 24)
To approve and sign the minutes of the last Executive meeting held on 29 October 2015.

- 3. Public Participation**
At this point in the meeting members of the public who have registered to speak can do so. The deadline for registering is **5.00pm on Wednesday 25 November 2015**. Members of the public can speak on agenda items or matters within the remit of the Committee.

To register to speak please contact the Democracy Officer for the meeting, on the details at the foot of the agenda.

Filming, Recording or Webcasting Meetings

“Please note this meeting will be filmed and webcast and that includes any registered public speakers, who have given their permission. This broadcast can be viewed at <http://www.york.gov.uk/webcasts>.

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The Council’s protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at http://www.york.gov.uk/downloads/file/6453/protocol_for_webcasting_filming_and_recording_of_council_meetingspdf

- 4. Forward Plan** (Pages 25 - 36)
To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.
- 5. Capital Programme - Monitor 2 2015/16** (Pages 37 - 50)
This report sets out the projected outturn position for the Council’s 2015/16 Capital Programme including any adjustments and requests to re-profile budgets between years.

6. Finance and Performance Monitor 2 2015/16 (Pages 51 - 64)

This report presents details of the Council's finance and performance position for the period covering 1 April to 30 September 2015, together with an overview of any emerging issues.

7. Treasury Management Mid Year Review and Prudential Indicators 2015/16 (Pages 65 - 78)

This report presents Members with a mid year update on treasury management activities which the Council is required through legislation to provide. The report provides an update on activity for the period 1 April 2015 to 31 October 2015 together with information on the monitoring of the prudential indicators.

8. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

Name: Jill Pickering

Contact details:

- Telephone – (01904) 552061
- E-mail – jill.pickering@york.gov.uk

For more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 (01904) 551550

City of York Council

Committee Minutes

Meeting	Executive
Date	29 October 2015
Present	Councillors Steward (Chair), Aspden (Vice-Chair), Ayre, Brooks, Carr, Gillies, Runciman and Waller
Other Members participating in the meeting	Councillors D'Agorne and Looker
In attendance	Councillors N Barnes, Boyce, Hayes, Kramm, Levene, Taylor and Warters

61. Declarations of Interest

Members were asked to declare, at this point in the meeting, any personal interests, not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests they may have in respect of business on the agenda.

Councillor D'Agorne, declared a personal non prejudicial interest in relation to agenda item 8 – York's Southern Gateway as a member of the Cyclists' Touring Club.

62. Minutes

Resolved: That the minutes of the last meeting of the Executive held on 24 September 2015 be approved and signed by the Chair as a correct record.

63. Public Participation

It was reported that there had been thirteen registrations to speak at the meeting under the Council's Public Participation Scheme and that six Members of Council had also requested to speak on items, details of which are set out below:

Next Phase of the Older Persons' Accommodation Programme:
Grove House and Oak haven Older Persons' Homes

Anthony Coleman spoke as the organiser of a petition opposing the closure of Grove House. He referred to the letters submitted setting out his family's reasons for opposing the closure and highlighted the excellent staff and care the home offered. He requested Members to reconsider the proposals.

Carole Simmons spoke on behalf of residents and families connected to the Oakhaven Older Persons' Home, and in particular questioning the level of engagement and information contained in the Officer's report. She said that the needs of residents should be first and foremost when considering any changes.

Aidan Rylatt, read a statement on behalf of Cllr Craghill in relation to the ward perspective of the proposals for Grove House and the surrounding area. Whilst acknowledging the limits on funding she referred to the challenging deadlines and questioned the proposed options for the three further Council owned homes and the use of any capital receipts in the locality. She asked for assurances that there would be flexibility for residents and their families during any moves.

Andrea Dudding speaking on behalf of Unison referred to the elderly citizen's affected by the proposed moves and to future demographic problems likely to arise from a growing elderly population. She referred to the costs of outsourcing the services and to concerns regarding the staff at risk and echoed Rachael Maskell MP's concerns regarding timelines and geographical challenges.

The Future of York's Guildhall and Riverside

Charles Cecil, spoke on behalf of the creative industries sector and whilst in support of Option 4, to create a serviced office venue in the Guildhall, he highlighted the large digital creative sector in York and Yorkshire. He referred to the opportunities this presented for the city and suggested that ideally the complex should be used to set up a digital creative media hub for York and the surrounding area.

Cllr Levene spoke as Chair of the Corporate & Scrutiny Management Policy & Scrutiny Committee thanking the

Executive for the opportunity to feed in comments in relation to proposals for the Guildhall. He reported the Scrutiny Committee's support for Option 4 as it was felt that it ensured public access, protected the city's heritage, encouraged high value jobs and provided the best financial return for both the Council and the city.

Cllr Taylor spoke to support the recommendation for the future of the Guildhall. He acknowledged that this would provide a sustainable future for the site and support the city as the UK's first UNESCO City of Media Arts.

York's Southern Gateway

John Reeves spoke as Chair of the Helmsley Group, referring to previous master plans prepared for this part of the city over a number of years. He highlighted the recommendation to procure a joint venture partner and referred to the wealth of knowledge in the city and offered his services to work in collaboration with the Council to deliver a value for money scheme.

Paul Hepworth spoke on behalf of the Cyclists' Touring Club. He circulated a presentation on the Southern Gateway which suggested transport proposals for this area. These included the siting of bus stops/cycle routes in Coppergate, a toucan crossing in Fishergate/Piccadilly and options for bicycle parking in the area. He requested that consideration should be given to the inclusion of some of these cycling principles as part of the scheme.

Brian Watson referred to the Castlegate/Piccadilly area highlighting the need for Member and public involvement and engagement in any proposals for the area from its inception. He also requested the inclusion of a height limit on buildings on the site and referred to the New Homes Bonus which he suggested could be used for work on Parliament Street.

Cllr Levene confirmed the support of his Group for the Southern Gateway proposals referring to the opportunities this now offered and highlighting the importance of the vision, partnership working and cross party involvement in future work.

Cllr Taylor also expressed his support for the progression of the scheme with a joint venture partner and for the provision of underground car parking.

Council Tax Support Scheme Review

Richard Bridge referred to the cross party consensus to re-examine the Council's Council Tax Support Scheme (CTS) and the need to make any changes prior to April 2016. He referred to funding of the scheme from Council Tax received from landlord's empty properties and to problems with the marketing of the Financial Inclusion Scheme. He felt that changes to the CTS would prove more effective and cheaper to administer.

Rebecca Jeffrey spoke on behalf of Advice York and the effects of the Council Tax Support Scheme on both families and individuals. From Advice York's research she requested a reduction in Council Tax payments from 30% to 17% to set it at the level that Courts could collect from claimants for non payment.

Cllr Neil Barnes referred to his motion, agreed at the October Council meeting, and questioned why a review of the scheme had not been undertaken earlier. However he thanked Officers for bringing it forward referring to the options and the need to consult and listen to residents and Advice York however he felt that there were risks with the short consultation period if changes were required to the scheme.

Cllr Taylor endorsed earlier speaker's comments and requested no further delay in amending the Council Tax Support Scheme to a level of 17%.

Recommendations of the Local Plan Working Group – City of York Local Plan – Objective Assessment of Housing Need

Cllr Levene referred to the Council having a moral and economic responsibility to provide an adequate supply of housing and not rely on housing windfall. He also expressed concern that the policies for fracking and the protection of public houses would provide only minimum protection.

Protecting Public Houses

Nick Love spoke to represent York CAMRA, he asked the Executive to proactively support the protection of local York pubs. This would include the Council website promoting Assets of Community Value (ACV) applications and include an easy to understand ACV application pack together with a commitment to involving CAMRA in the formulation of pub friendly planning law within the Local Plan.

Paul Crossman spoke as landlord of The Swan and other public houses in the city highlighting local pubs in the city that were now thriving under new ownership. He expressed concern however at the number of public houses that had been neglected and sold for residential development. He therefore requested the inclusion of additional tools in the Local Plan to assist in the retention of local pubs to become community hubs and an asset to their local area.

Graham Wilson spoke as a shareholder in the Golden Ball public house highlighting the oversubscription for shares when the pub had been sold. He referred to the demand for housing and to the number of public houses lost in the area which he said amounted to 20% of the city's pub stock. He requested Members' support for the protection of local pubs within the Council's Local Plan.

Cllr Kramm also spoke in support of the protection of public houses and referred to the Council's motion to request Cabinet to introduce an Article 4 Direction in support of this protection. He requested the Executive to support a combination of options one and two as protection measures.

Burnholme Development Business Case

Cllr Boyce spoke as one of the Ward Members for the Burnholme area. She spoke of a need for the retention of the community use of the premises for the surrounding community and her support for the report recommendations.

Cllr Warters spoke to request assurances that Area B shown at pages 126-127 of the report would be retained as open space for recreation including formal or informal sport. He also referred to maintenance issues in respect of the site boundary and requested assurances that routine maintenance would be

undertaken at an early date. He also expressed concerns at the proposal for the procurement of a single developer for the site.

Minerals and Waste Joint Plan – Preferred Options

Cllr Kramm requested an amendment to Policy M16: Overall spatial policy for hydrocarbon development, in relation to fracking. He also requested the inclusion of the following additional points to gain further protection in the policy 'in areas where rainwater accessing ground water' and at the end of the first policy paragraph of 'areas within 1.5 miles of settlements.

64. Forward Plan

Members received and noted details of those items on the Forward Plan for the next two Executive meetings, at the time the agenda was published.

65. The Next Phase of the Older Persons' Accommodation Programme: Deciding the future of Grove House and Oakhaven Older Persons' Homes

Consideration was given to the report of the Director of Adult Social Care which set out the results of the consultation undertaken with residents, relatives and staff of Grove House and Oakhaven residential care homes to explore the option to close the homes. Members considered the issues raised as a result of the consultation responses and transition plan and future use of the Grove House and Oakhaven sites.

An email received from Rachael Maskell MP, in response to the consultation on care home closures, was also circulated at the meeting, in which a request was made for an extension of the deadline for closure and consultation in relation to accommodation in the Acomb area.

Officers acknowledged the difficulties in moving vulnerable residents but it was confirmed that this would be carried out in a sensitive manner and managed in line with the Council's protocol. However they highlighted the need to meet people's changing needs and provide additional extra care, and new good quality, residential and nursing care accommodation. In answer to earlier speakers comments they confirmed that there would be some flexibility around the timeline for resident's moves, that consultation would be undertaken on the sites

future use and that the capital receipts would be used to expand the provision of additional homes where possible.

Members confirmed that account had been taken of comments from both earlier speakers and the consultation comments and whilst they appreciated the difficulties involved in the transition process they wanted to ensure that residents were only moved once and that it was important to provide sufficient accommodation of a quality to meet residents' expectations.

In answer to Members' comments Officers also confirmed that the authority would continue work to provide additional elderly persons' accommodation in the west of the city.

Following further discussion it was

Resolved: That the Executive agree to:

- (i) Note that the Older Persons' Accommodation Programme aims to address the needs and aspirations of older people who need accommodation and care, both now and in the future, equipping York to meet their needs by delivering new Extra Care accommodation and good quality residential and nursing provision which meets modern day standards.
- (ii) Receive the outcome of the consultation undertaken with residents, family, carers and staff of Grove House and Oakhaven to explore the option to close each home with current residents moving to alternative accommodation.
- (iii) The closure of Grove House and Oakhaven residential care homes and require that residents' moves to their new homes are carefully planned and managed in line with the Moving Homes Safely protocol.¹
- (iv) The Grove House site being sold forthwith in order to generate a capital receipt to support the wider Older Persons' Accommodation Programme.

- (v) The procurement of a partner to develop the Oakhaven site as a new Extra Care facility for Acomb.²

Reason: In order to increase the supply of good quality accommodation with care for independent living together with new residential and nursing home provision to address the changing needs and aspirations amongst York's older population and ensuring that more can choose to live independently at home.

Action Required

- 1. Implement closure of Grove House and Oakhaven residential care homes, in line with the protocol. RW
- 2. Proceed with sale of Grove House and procurement of partner for Oakhaven site. RW

66. Moving Forward with the Burnholme Health & Wellness Campus

Members considered a report which examined proposed uses for the Burnholme School site, following the closure of the school in 2014. The report asked the Executive to support further work to identify partners to progress the continued community and sports use of the site together with health and enterprise services, the building and operation of a residential care home for older people and the provision of housing.

Officers confirmed that the public open space, shown as site B on the plans attached to the report, was intended to be retained for sports use and active leisure by Applefield's and other educational establishments and the local community. They also confirmed that ongoing maintenance on the site boundaries would continue.

Members highlighted the importance of the site and its contribution to the social care and public health agenda for the local area and welcomed a report back to the Executive in the new year on project progress.

The Chair confirmed that it was important that all options for the site were considered and that whilst he could not give a guarantee regarding Area B he confirmed that sports facilities would be retained on the site.

It was noted that the following options had been considered: Option 1 whereby the 3,960 sqm building range within Area A on the east of the site would be refurbished, incorporating the school hall, main corridor and sports facilities, to be refurbished to accommodate the community and third sector tenants, community-facing activity and enterprise spaces, and sports users.

Alternative variations had also been considered (Options 2 and 3), and rejected as not securing best value.

Option 4 had looked at retaining but modernising the original sports facilities and providing new-build accommodation for the range of other community and enterprise activities.

Resolved: That the Executive agree to:

- (i) Note progress towards achieving new uses for the Burnholme site.
- (ii) Seek interest from partners to progress:
 - continued community and sports use on the site;
 - a residential care home for older people;
 - housing provision;
 - health services delivered in a community setting.
- (iii) Agree that Officers develop a spatial plan for the site in order to maximise land use and draw up a development timetable, utilising resources already held in the Older Persons' Accommodation Programme budget.
- (iv) Request that a report is brought back to Executive in Q1 2016 to further examine the risks and rewards of the development and approve the approach/s to procurement of relevant partners.¹

Reason: (i) (ii) To secure the most appropriate and best value approach to develop and deliver the vision for

the Burnholme Health & Wellness Campus including the delivery of a residential care home as part of the Older Persons' Accommodation Programme.

- (iii) So that best use is made of this site.
- (iv) So that the project can progress.

Action Required

- 1. Proceed to develop a spatial plan for the site and seek interest from partners to progress the development. RW
- 2. Add update report to Council's Forward Plan for 2016. RW

67. The Future of York's Guildhall & Riverside

Consideration was to a report which asked Members to agree the next steps necessary to secure the future of the Guildhall complex, following the project review as agreed by the Executive and in response to the recommendations of the recent scrutiny review.

It was noted that the options under consideration had been:
Option 1 - A generic grade A office development requiring a new build north annex and including a high standard of fit-out, including air conditioning to this area, and with significant refurbishment of the retained Victorian office areas.

Option 2 - A commercial offer envisaged as being a visitor attraction occupying the Victorian council offices, Guildhall and council chamber, with the south range restaurant and north range cafe bar included. Additional food / leisure units would occupy a new build annex.

Option 3 - A generic grade A office development at ground floor level, but with 6 no. high specification apartments at first and second floor levels, envisaged as holiday lets, providing a rental income stream. This option would still require a new build annex. The Guildhall main hall and the council chamber would be comprehensively refurbished and the south range restaurant and north range cafe bar would be included.

Option 4 – A scheme offering serviced managed office space in conjunction with virtual office / business club services, based on

a refurbished annex, with an additional floor added. This would take advantage of the character spaces that would be created for hot desks / break out space allowing high density occupation. The Guildhall main hall and council chamber would be comprehensively refurbished and the south range restaurant and north range cafe bar would be included.

Full details of the project options and progress to date were reported together with the following recommendation of the Corporate and Scrutiny Management Policy and Scrutiny Committee, following their detailed consideration of all the options :

Option 4 – was recommended as the preferred option as this was seen as a viable option, and the one which would best secure the future of the complex by taking account of the key objectives.

In answer to Members' questions Officers confirmed that, in view of Members' interest in the Guildhall, they would be kept fully informed as the project progressed.

The Chair also thanked Cllr Levene and the scrutiny committee for their work in relation to this project and reiterated Members involvement in the project as work progressed.

Resolved: That the Executive approve the Scrutiny recommendation and confirm detailed project development work as follows:

- (i) Approve option 4 of the project review; to create a serviced office venue with virtual office and business club facilities. This option secures the future of the Guildhall by maximising the benefits of; the different spaces within the complex, its heritage appeal, the accessible location, and also ensures ongoing council use and public access, in a mixed use development.
- (ii) Confirm the appointment of a multi-disciplinary design team led by architects Burrell Foley Fischer, selected following a detailed and EU compliant

procurement process, and agree that further design work is undertaken to develop a detailed scheme and associated business case, based on the approved option. Project development will be progressed on a stage by stage basis, drawing on the previously approved development budget of £500k, with a report back to Executive for final approval to proceed in summer 2016.

- (iii) Confirm the selection of a commercial operating partner. The project team will consider the most appropriate and advantageous lease or service contract arrangements. The selection process to be confirmed following legal advice on the most effective option.
- (iv) Confirm a programme of engagement with the City's business sector / target market to understand their requirements, facilitated through joint working with project partners; the Universities and Make it York.¹

- Reason:
- (i) To ensure that the ongoing project development is based upon the most advantageous and viable option for this key council asset.
 - (ii) To ensure that the necessary detail is available to inform an Executive decision on project delivery in summer 2016.
 - (iii) To ensure that the Guildhall will attract the high levels of use necessary to secure future viability, delivery of the wider economic benefits to the City, and manage the financial risk to the council.
 - (iv) To ensure that the Guildhall offer will meet the needs of business and that the detailed business model is based on sound assumptions.

Action Required

1. Proceed to appoint the design team, the commercial operating partner and implement the programme of engagement as outlined.

DW

68. York's Southern Gateway

The Executive considered a report which set out proposals to kick-start development along Piccadilly and explored the potential use of other council assets in the Southern Gateway around Piccadilly, the Eye of York, St George's Field and the Foss Basin in order to improve and regenerate the area.

Officers confirmed the need for a fresh vision for this important entrance to the city and the provision of a framework which would allow developers to come forward with proposals for the site to provide a high quality public realm. It was noted that Officers had undertaken preliminary visioning and evaluation work to explore a high level proposition for a scheme however there were a number of technical issues which needed to be overcome. Officers also confirmed that they would welcome Member engagement.

Members expressed their support for the regeneration of the area, the procurement process, financing and for cross party involvement on the future proposals.

In answer to Members' questions Officers confirmed that demolition on the Reynard's site would commence on 2 November and take place over a 5 week period. It was also noted that the Environment Agency were being consulted regarding flooding and the development of this area.

Consideration was then given to the following options:

Option 1 - Leave the market to drive change with CYC contributing with the sale for redevelopment of some of its own assets

Option 2 - Develop a comprehensive master planning approach to create a regeneration scheme and use planning policy to control and steer development across the area.

Option 3 - Work with private and public sector land owners to harness the momentum of current developments whilst using CYC assets to maximise development opportunities and establish a quality benchmark for development in the area and it was

Resolved: That the Executive agree to:

- (i) Progress to the development stage of the Southern Gateway project and to appoint a Project Manager using grant funding from One Public Estate to take this work forward.
- (ii) Commence a procurement exercise to identify a joint venture partner to redevelop 17-21 Piccadilly
- (iii) Create a conceptual framework for development of the Southern Gateway area and prepare for a public consultation.
- (iv) Develop a business case for development of the Southern Gateway which will involve undertaking feasibility work to assess the technical, planning and financial deliverability of development of the Southern Gateway. A report will be brought back to Executive to agree a future approach.
- (v) A budget of £185,000 to be financed from New Homes Bonus, with specific allocations from the budget to be confirmed by the Chief Executive and the Leader of the Council, to enable development of a fully worked up business case for the development of the Southern Gateway area.
- (vi) Undertake transport modelling and review parking and access arrangements for the Southern Gateway area.
- (vii) Explore potential delivery mechanisms and commence discussions with land owners in the area.¹

Reason: To deliver early improvement to Piccadilly, to generate capital receipt, and to develop robust plans for the future regeneration of the Southern Gateway area.

Action Required

1. Progress the project as outlined in the decision and add an item to the Council's Forward Plan to

agree the future approach.

TC

69. Coppergate Traffic Restrictions

Consideration was given to a report which explained the background to traffic management of Coppergate to date and reviewed whether and/or how to restrict traffic in Coppergate in the future.

Prior to any further work by Officers Members were asked to consider the following options:

Option 1 – Retention of existing 2013 Traffic Regulation Order (TRO) – with a review of the signage

Option 2 – Revocation of the 2013

Option 3 – Amendment of the vehicular exemptions in the TRO to allow Buses and Taxis only

Option 4 – Not Undertaking Civil Enforcement of the Traffic Regulation Order

Option 5 - Amending the Time of the Restrictions

Option 5a – Returning to the previous 8am to 6pm Monday to Saturday time of operation

Option 5b – Retaining the 7 day operation but returning to the 8am to 6pm time period

The Executive Member expressed his support for the amendment of the timing of the restrictions in accordance with Option 5 b) and the delegation of the consultation and detail of the TRO.

Following discussion it was

Resolved: That the Executive agree to:

- (i) The York (Coppergate)(Local Bus Priority) Traffic Order 2013 being amended to change the timing of the restrictions in accordance with Option 5b (retain the 7 day operation but return to the 8am to 6pm time period), and that civil enforcement be suspended until a review of the signage has been undertaken and

revised signage has been agreed by Members; and

- (ii) The Executive Member for Planning & Transport being delegated to agree the consultation detail for the Traffic Regulation Order (TRO) and signage; and ¹.
- (iii) Officers undertaking a review of the signage to convey the meaning of the revised Order and this shall include appropriate consultation; and
- (iv) The final revised signage scheme and consideration of any objections to the amended TRO being brought back to the Executive for approval prior to commencement of any civil enforcement by camera.².

Reasons: To provide more certainty for effective civil enforcement by camera of the restrictions in order to reduce the impact of traffic on a key public transport and busy pedestrian area in the City Centre.

Action Required

1. Amend the timing of the TRO restrictions and suspend civil enforcement, pending a review of signage, noting the delegation to the Executive Member.

TC

2. Undertake review of signage and add item to Council's Forward Plan for consideration of final scheme.

TC

70. Council Tax Support Scheme Review

The Executive considered a report which had been prepared in response to their request for a review of York's Council Tax Support Scheme (CTS) and a recent Council motion. The report set out the background to the current scheme, existing financial support available, the number of CTS customers and further steps that could be undertaken to support financially vulnerable residents.

Members noted that any change to the scheme would require widespread consultation and that any proposed changes would require Full Council approval on or before 31 January preceding

the start of the financial year. To meet this requirement would require changes to both the Executive and Full Council dates in December.

Members expressed their support for undertaking a shortened consultation to enable any changes to be agreed prior to the start of the financial year and thanked Officers for their work on the report and examination of other authorities' schemes.

Consideration was then given the following options in relation to CTS and the York Financial Assistance Scheme (YFAS):

Option 1 – Maintain the current cap (70%);

Option 2 – Maintain the current cap and consider consultation on the scheme during 2016 for implementation in 2017/18, with the interim development of a one year scheme for short term relief;

Option 3 – Put the scheme out to a shortened consultation process to fit in with the 31st January 2016 deadline for implementation in 2016/17;

Option 4 – Any of the above three options together with the development of a cohesive strategy with the council's partners to implement and promote a sustainable approach to financial support available under YFAS as described in paragraph 24, subject to YFAS funding continuing.

Resolved: That the Executive approve:

- (i) Option 3 to put the Council Tax Support Scheme out to a shortened consultation process to fit in with the 31 January 2016 deadline, in advance of the respective budget setting processes.¹
- (ii) The following changes to the Council's calendar of meetings, in order to allow a decision to be taken by Full Council on any changes to the Council Tax Scheme:
 - Executive on 17 December 2015 – bring forward to 15 December 2015
 - Full Council on 10 December 2015 - move to 17 December 2015²

- (iii) The detail of the scheme changes for consultation, to be developed by the Director of Customer & Business Support Services in consultation with the Portfolio Holders.

Reason: To ensure members are fully informed of the options and implications of decisions made in light of this review of the CTS.

Action Required

- 1. Proceed with shortened consultation and details of changes being developed by the Director of CBSS and the Executive Member. DW
- 2. Implement agreed changes to the December Executive/Council meetings. JP

71. CYC Future Workforce (Apprenticeships and Work Placements)

Consideration was given to a report of the Director of Customer and Business Support Services which provided an update on the Council's approach to apprenticeships and employment offer to young people.

The Executive Member highlighted the recent fall in numbers on the apprenticeship programme and the need to lead by example as a positive role model for apprentice and traineeship employers across the city. He also expressed support for the increase in Year 1 pay in line with the National Minimum Wage and for regular reports back on the schemes progress.

Other Members also expressed support for the aim to improve representation from the vulnerable and hard to reach groups through supported recruitment and targeted campaigns.

It was noted that there were no alternative options for recommendation a) which asked members to note the progress and plans as outlined in the report and that Members could choose to agree or to disagree with the proposed increase to Year 1 apprentice pay rates at recommendation b).

Resolved: (i) That the Executive notes the following progress and plans:

- the further development of the council's in-house apprenticeship and future workforce offer, aligned to future skills need;
 - to increase pre-apprenticeship provision by CYC, through structured work experience and supported traineeship/internship programmes, in line with city-wide initiatives;
 - to ensure that CYC upholds its responsibility as corporate parent to vulnerable groups (including children living in care, care leavers, NEET and SEND populations) through ring-fenced access to work placements and support in gaining apprenticeships.
- (ii) That the Executive agree to increase current Year 1 pay in line with National Minimum Wage increases from October 1st 2015 and review annually in line with other council employee groups.¹

Reason: To ensure Executive members are informed of the CYC approach to apprenticeships and that proposals are aligned with likely national policy direction.

Action Required

1. Continue with further development work and implement Year 1 increase in wage level from 1-10-15.

PS

72. Recommendations of the Local Plan Working Group - City of York Local Plan - Objective Assessment of Housing Need and City of York Local Plan Economic Growth

Members considered the recommendations of the Local Plan Working Group (LPWG), from their meeting held on 29 September 2015, in relation to the City of York Local Plan – Objective Assessment of Housing Need (OAHN) and Economic Growth in their capacity as an advisory body to the Executive.

Officers confirmed that the housing figures in the OAHN had been produced by Arup as part of the evidence base for the emerging local plan which would be used as a starting point to establish the amount of housing land required in the Plan. It was noted that Arup had also advised that the Universities expected student numbers to grow at the same rate over the plan period and there had been no evidence to suggest that the figure should be adjusted to take account of student numbers. However a report on the student population, numbers etc would be considered by the LPWG at a later date.

Resolved: That the Executive note the recommendations in the Local Plan Working Group minutes attached at Annex A of the report and approve the specific recommendations made by the Group in respect of the Objective Assessment of Housing Need and Economic Growth.

Reason: To fulfil the requirements of the Council's Constitution in relation to the role of Working Groups.

73. Protecting Public Houses

Consideration was given to a report prepared in response to a motion, passed by Council on 11 December 2014, in relation to the protection of public houses. The report provided background information in relation to the options available to the Council to afford greater protection to public houses.

Copies of the draft minutes of the Local Plan Working Group (LPWG) meeting on 19 October 2015 setting out in Minute 9 details of the Group's deliberations and recommendations in response to the motion, was circulated at the meeting. It was noted that the LPWG had considered the following options and they had recommended their support for Options 1 and 2 as a minimum:

1. More widely promote the provisions for nominating the listing of pubs as assets of community value and provide guidance on the nomination process and consider any request for immediate Article 4 Directions for specific public houses where there is a justified and urgent requirement for protection.
2. Explore the implementation of a city wide Article 4 Direction to remove permitted development rights and protect public houses.

3. No further work to be undertaken.

4. Another alternative approach to protecting public houses proposed by Members.

It was also noted that the Leader had confirmed that he would be exploring further options and undertaking talks with interested stakeholders prior to the Executive meeting.

The Chair confirmed details of his further discussions with interested stakeholders and Members to ascertain the most appropriate method of providing greater protection. He confirmed that following discussions with a number of interested parties and listening to earlier speakers he suggested a number of revisions to the Officer recommendation and it was

Resolved: That having considered the options, recommendation of the Local Plan Working Group and the various representations Executive agree for:

- (i) Council to build on Option one in the report and to note the desire of the Local Plan Working Group to go above and beyond this in proactively encourage awareness of protecting community pubs with ACV's (Assets of Community Value), including featuring in the Our City newsletter;
- (ii) The important role of ward councillors in pinpointing pubs and other community assets for consideration for protection be acknowledged and a member briefing note and all member sessions be organised; other interested parties including Parish Councillors and Residents Associations to be allowed to attend.
- (iii) A dedicated page on the council website be set-up to provide guidance on the process for registering as an ACV. This page to include links to where user friendly advice on making an application can be found.
- (iv) A press release be sent to relevant media outlets, working with interested parties

including York CAMRA and pub landlords offering interviews / photo opportunities, emphasising work on pub protection;

- (v) An investigation of a collaboration with local media outlets similar to that of 'Be Vocal For Your Local';
- (vi) Continuing work with interested parties including York CAMRA and pub landlords in the formulation of pub friendly planning law within the Local Plan to ensure as and when there are planning applications the Local Plan is robust enough to stop inappropriate development that would be detrimental to a particular pub and associated community.
- (v) Continuing to monitor the workload and associated costs of work being done, mindful of what is legally required and also how potentially working with other interested parties saves the council work. ¹.

Reason: To more widely promote the assets of community value register and to provide communities with guidance on how pubs can be nominated and protected through the register, with the aim to ensure that valued public houses are afforded protection from change of use and demolition.

Action Required

1. Implement recommendations to afford greater protection to public houses.

RM

74. Minerals and Waste Joint Plan - Preferred Options

Members considered an update report on progress on the Minerals and Waste Joint Plan produced in conjunction with North Yorkshire County Council and the North York Moors National Park Authority.

Members were asked to approve the Preferred Options document for public consultation.

Copies of the draft minutes of the LPWG meeting on 19 October 2015 which set out in Minute 10 details of the Group's deliberations and recommendations in relation to the Plan was circulated at the meeting. It was noted that the LPWG had considered the following options and had recommended their support for Option (ii) to approve the document subject to a number of amendments details of which were also circulated at the meeting together with a note on fracking:

The following Options had been considered by the LPWG:

- i) Members approve the Preferred Options documents attached at Annexes A-D for the purpose of public consultation;
- ii) Members approve Preferred Options documents attached at Annexes A-D subject to amendments agreed at this meeting;
- iii) Members reject the Preferred Options documents and request that further work is undertaken.

In response to earlier speakers comments Officers confirmed that, following agreement, the document would be sent out for an 8 week consultation period which would allow residents to make any further representations on the Plans content.

Members continued to raise concerns in relation fracking and the potential impact on flooding in the area and it was noted that a report on the impact of flooding was due from the Environment Agency in January details of which would be included in the Plans policies.

Resolved: That the Executive agree to note progress on the Minerals and Waste Joint Plan and approve the Preferred Options documents for public consultation. ¹.

Reason: So that the Minerals and Waste Joint Plan can be progressed.

Action Required

1. Proceed with public consultation on Preferred Options Plan.

RM

Cllr C Steward, Chair

[The meeting started at 5.30 pm and finished at 8.20 pm].

Forward Plan: Executive Meeting: 26 November 2015

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 15 December 2015

Title and Description	Author	Portfolio Holder
<p>York Central and Access Project Purpose of Report: To update Members on the current status of the project to develop the York Central site.</p> <p>Members will be asked to consider a range of matters regarding the project.</p> <p>This report may contain an annex that may be considered in private as it contains Exempt Information as described in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) in that the information relates to the financial or business affairs of any particular person (including the authority holding that information).</p>	Neil Ferris	Executive Member for Economic Development and Community Engagement
<p>Review of Fees & Charges Purpose of Report: To propose an increase in Fees and Charges from 1st January 2016.</p> <p>Members are asked to approve the recommended increase in Fees and Charges.</p>	Sarah Kirby	Executive Leader, Finance & Performance
<p>Award of Discretionary Rate Relief Purpose of Report: To approve any new awards of discretionary rate relief for the period 2016-2018.</p> <p>Members are asked to consider any new applications against budget available and approve any new awards.</p>	David Walker	Executive Leader, Finance & Performance

Title and Description	Author	Portfolio Holder
<p>Lord Mayoralty 2016-17 Purpose of Report: Members are asked to consider which of the political groups should be invited to appoint the Lord Mayor for the 2016-17 municipal year.</p> <p>Members are asked to invite the group with the most points for the Mayoralty to nominate a Lord Mayor for the 2016-17 municipal year.</p>	Anne Platt	Executive Leader, Finance & Performance
<p>Community Stadium Purpose of Report: Prior to a recommendation to Council in December, this report presents the finalisation of the delivery of the Community Stadium and Leisure facilities contract.</p> <p>Members are asked to;</p> <ol style="list-style-type: none"> 1. Provide authority to award the contract for the design, build, operation and maintenance of the facilities. 2. Agree the financial costs for the delivery of the contract. 3. Any other appropriate decisions relating to the effective delivery of the project. 	Tim Atkins	Executive Member for Culture, Leisure & Tourism
<p>ICT Services Report Purpose of Report: To raise the awareness of ICT Services, its strategy, approach and scope.</p> <p>Members are asked to endorse the ICT strategy and service approach.</p>	Roy Grant	Executive Leader, Finance and Performance

Title and Description	Author	Portfolio Holder
<p>Building Stronger Communities – Adult Social Care funding</p> <p>Purpose of Report: To present information about the proposal to invest funding over the next 2 years in community initiatives which prevent or delay the need for people to access statutory social care provision. Use of £75,000 of this funding has already been agreed, as per the ‘Listening to Residents: Ward Committees’ paper presented to Executive on 30th July 2015 (whereby £75k will be devolved into ward budgets on a ‘per capita’ basis). Therefore this report makes proposals for the remaining funding.</p> <p>Members are asked to agree the use of this funding for the purposes outlined in the report.</p>	<p>Catherine McGovern Michael Melvin</p>	<p>Executive Member for Adult Social Care and Health</p>
<p>Procurement of an Integrated Wellness Service Pilot Programme</p> <p>Purpose of Report: To present a proposal to tender a pilot ‘Integrated Wellness Service’</p> <p>Members are asked to consider and approve the procurement process for an ‘Integrated Wellness Service’ pilot programme.</p> <p>A pilot programme will be commissioned to provide lifestyle and behaviour change support to identified priority groups using a person centred approach in line with best practice and evidence.</p> <p>On completion of the pilot programme and incorporating learning from the pilot, it is intended to follow a full tender exercise for a wellness service officer.</p>	<p>Philippa Press Nick Sinclair</p>	<p>Executive Member for Adult Social Care and Health</p>

Title and Description	Author	Portfolio Holder
<p>Council Tax Support Review Scheme Cap - Consultation Outcome Purpose of Report: To present Members with the outcomes of the agreed consultation approved at the October 2015 Executive.</p> <p>Members are asked to review the outcome of the consultation, and decide whether to make any changes to our Council Tax Scheme. Full Council have to make this decision so Executive will make a recommendation to Full Council in this report.</p>	<p>Pauline Stuchfield David Walker</p>	<p>Executive Leader, Finance & Performance</p> <p>Executive Member for Adult Social Care & Health</p>
<p>Holiday Pay & Overtime - A Further Report Purpose of Report: To present Members with a report on the options for meeting associated liabilities.</p> <p>Members are asked to: Consider the options in relation to holiday pay and overtime payments.</p> <p>This report may contain an annex that may be considered in private as it contains Exempt Information as described in Paragraph 4 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) in that the information relates to:</p> <p>(Paragraph 4) any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown.</p> <p>(Paragraph 5) employees of, or office holders under the authority and in respect of which a claim to legal professional privilege could be maintained in legal proceedings.</p>	<p>Judith Bennett Pauline Stuchfield</p>	<p>Executive Leader, Finance & Performance</p>

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 28 January 2016

Title and Description	Author	Portfolio Holder
<p>The Housing Revenue Account Strategic Asset Plan Purpose of Report: The strategic Asset Plan provides a framework by which the council's Housing Revenue Accounts (HRA) assets are managed.</p> <p>Members are asked to approve the strategic HRA Asset Plan.</p>	<p>Tom Brittain Andy Kerr</p>	<p>Executive Member for Housing and Safer Neighbourhoods</p>
<p>Children's Services Education and Skills (CSES) Taxi Transport Contract Purpose of Report: The current Children's Services Education and Skills (CSES) taxi contract is due to expire in August 2016. This paper sets out a proposal for how to progress the procurement of this contract.</p> <p>Members will be asked to give permission to commence the process to procure a new taxi transport contract for the CSES directorate.</p>	<p>Mark Ellis</p>	<p>Executive Member for Education, Children and Young People</p>
<p>The Business Improvement District (BID) – Final Arrangements Purpose of Report: To present the final arrangements for the Business Improvement District, now that a ballot has been agreed by the business community.</p> <p>Members are asked to note the content of the report, the financial arrangements and Council involvement, and to lend their support.</p>	<p>Phil Witcherley Penny Nicholson</p>	<p>Executive Member for Economic Development and Community Engagement (Deputy Leader)</p>

Title and Description	Author	Portfolio Holder
<p>Children’s Services, Education and Skills (CSES) Capital Programme Purpose of Report: This paper will provide information about the CSES Capital Programme for 2015/16. It will contain details of the Basic Need programme for 2015-16 and the future place planning pressures through to 2020 which will direct the need to commission further additional school places. The paper will also outline the existing pressures with the Capital Maintenance programme and consider options for requesting the Executive to approve the use of Basic Need to address these pressures.</p> <p>Members are asked to consider and approve: (1) the plans for the use of Basic Need to add additional school places in 2015/16 (2) the proposed use of Basic Need capital to fund capital maintenance schools to 2018/19</p>	<p>Mike Burgh Mark Ellis Maxine Squire Jake Wood</p>	<p>Executive Member for Education, Children and Young People</p>
<p>Southbank School Place Planning Purpose of Report: This paper presents the options available for the provision of additional primary school places in the Southbank area of York. Pupil place planning projections show that an additional form of entry (30 places) is required in Reception by September 2017 in the Southbank area. By 2018/19, as the larger cohorts begin to move through primary year groups, around 110 places will be required across Reception to Year 6. It is anticipated that a full 210 additional places will be required by around 22/23.</p> <p>Members will be asked to consider and approve the preferred option for the addition of school places in Southbank.</p>	<p>Claire McCormick Maxine Squire</p>	<p>Executive Member for Education, Children and Young People</p>

Title and Description	Author	Portfolio Holder
<p>Parking Strategy Report Purpose of Report: (i) To present the results of a review of the Council's Parking Service covering the Strategic, Policy and Operational aspects. (ii) To consider the wider policy context and interdependencies for city centre car parking so that further consideration can be given to how the service can best be delivered to meet the future demands and aspirations of the Council.</p> <p>(iii) To present the latest results of the "Pay on Foot" Trial that has been underway in Marygate Car Park and considers possible options for the expansion of a "Pay on Foot" system across other city centre car parks.</p> <p>Members are asked to consider and make comment on: the results of the Parking Strategy Report. the results of the "Pay on foot Trial" on Marygate car park and confirm whether to continue, make permanent or remove the trial. the options for expansion of the "Pay on Foot" system of operation to other suitable car parks and how these should be explored further.</p>	David Carter	Executive Member for Transport and Planning
<p>Review of the Housing Revenue Account (HRA) Business Plan Purpose of Report: To present the revised 30 year business plan for the Housing Revenue Account (HRA).</p> <p>Members are asked to approve the revisions to the Business Plan.</p>	Paul Stamp Tom Brittain	Executive Member for Housing and Safer Neighbourhoods

Table 3: Items slipped on the Forward Plan

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>York Central and Access Project Purpose of Report: To update Members on the current status of the project to develop the York Central site.</p> <p>Members will be asked to consider a range of matters regarding the project.</p> <p>This report may contain an annex that may be considered in private as it contains Exempt Information as described in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) in that the information relates to the financial or business affairs of any particular person (including the authority holding that information).</p> <p>This decision will now be taken by Executive on 26 November to enable further discussions to take place with the Portfolio Holder around the complexities involved in this project.</p>	Neil Ferris	Executive Member for Economic Development and Community Engagement (Deputy Leader	30 July 15	15 Dec 15	It was agreed to slip the report until after the Chancellor's Autumn Statement as there may be implications for the project.

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>The Business Improvement District (BID) – Final Arrangements</p> <p>Purpose of Report: To present the final arrangements for the Business Improvement District, now that a ballot has been agreed by the business community.</p> <p>Members are asked to note the content of the report, the financial arrangements and Council involvement, and to lend their support.</p>	<p>Phil Witcherley Penny Nicholson</p>	<p>Executive Member for Economic Development and Community Engagement (Deputy Leader)</p>	<p>15 Dec 15</p>	<p>28 Jan 16</p>	<p>Due to an administrative error the BID decision will now be considered by Executive and not the Executive Member for Economic Development and Community Engagement (Deputy Leader) and will move to 28 January 2016 as December is too close to the ballot timescales to develop full advice on next steps.</p>

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>Community Stadium</p> <p>Purpose of Report: Prior to a recommendation to Council in December, this report presents the finalisation of the delivery of the Community Stadium and Leisure facilities contract.</p> <p>Members are asked to;</p> <ol style="list-style-type: none"> 1. Provide authority to award the contract for the design, build, operation and maintenance of the facilities. 2. Agree the financial costs for the delivery of the contract. 3. Any other appropriate decisions relating to the effective delivery of the project. 	Tim Atkins	Executive Member for Culture, Leisure & Tourism	26 Nov 15	15 Dec 15	In order to align the decision making process to enable ratification of the decision at Full Council on 17 December.

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>Building Stronger Communities – Adult Social Care funding</p> <p>Purpose of Report: To present information about the proposal to invest funding over the next 2 years in community initiatives which prevent or delay the need for people to access statutory social care provision. Use of £75,000 of this funding has already been agreed, as per the ‘Listening to Residents: Ward Committees’ paper presented to Executive on 30th July 2015 (whereby £75k will be devolved into ward budgets on a ‘per capita’ basis). Therefore this report makes proposals for the remaining funding.</p> <p>Members are asked to agree the use of this funding for the purposes outlined in the report.</p> <p>This report had been deferred to the meeting of Executive on 26 November in order to allow more work to be undertaken with Public Health to align agendas</p>	<p>Catherine McGovern</p> <p>Michael Melvin</p>	<p>Executive Member for Adult Social Care and Health</p>	<p>29 Oct 15</p>	<p>15 Dec15</p>	<p>This item was withdrawn from the Forward Plan but will now be taken to Executive on 15 December so that further work with public health can be undertaken before the report is considered by Members.</p>

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>ICT Services Report</p> <p>Purpose of Report: To raise the awareness of ICT Services, its strategy, approach and scope.</p> <p>Members are asked to endorse the ICT strategy and service approach.</p> <p>The report had been deferred to the meeting on 26 November as recent developments around shared services had created the need for additional information which would influence the report. This would also allow further time to undertake discussions regarding the input from scrutiny in relation to the digital customer work stream that is one of the key features of this report.</p>	Roy Grant	Executive Leader, Finance and Performance	26 Nov15	15 Dec15	in order to allow further discussions with Officers



Executive

26 November 2015

Report of the Director of Customer and Business Support Services

Capital Programme – Monitor 2 2015/16

Summary

1. The purpose of this report is to set out the projected outturn position for 2015/16 including any adjustments and requests to re-profile budgets between years.
2. The 2015/16 capital programme as approved by Council on 26 February 2015 and updated for amendments reported to Executive and Council is £95.290m.

Recommendations

3. Executive is asked to:
 - Recommend to Council a decrease in the 2015/16 programme of £901k as detailed in the report and contained in Annex A.
 - Note the 2015/16 revised budget of £94.389m as set out in paragraph 6 and Table 1.
 - Note the restated capital programme for 2015/16 – 2019/20 as set out in paragraph 33, Table 2 and detailed in Annex A.

Reason: To enable the effective management and monitoring of the Council's capital programme.

Consultation

4. The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 26 February 2015. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

Summary of Key Issues

5. A decrease of £901k is detailed in this monitor resulting in a revised capital programme of £94.389m. £961k of the decrease is due to re-profiling to budgets to future years. Offsetting this is a net increase of £60k due to an increase in external contributions.
6. Table 1 outlines the variances reported against each portfolio area.

Directorate	Department	Current Approved Budget £m	Projected Outturn £m	Variance £m
CSES	Children's Services, Education & Skills	13.361	13.361	0.000
ASC	Adult Social Services	1.464	1.464	0.000
CANS	Communities Culture & Public Realm	3.127	2.660	(0.467)
CANS	Housing & Community Safety	19.193	19.133	(0.060)
CES	Highways & Waste	6.226	6.226	0.000
CES	Transport	8.619	8.619	0.000
CES	Econ Development (trfrd to Asst Mgt)	0.058	0.000	(0.058)
CES	Community Stadium	20.714	20.714	0.000
CBSS	Asset Management	3.559	3.576	0.017
CBSS	West Offices - Admin Accom	0.512	0.512	0.000
CBSS	IT Development Plan	2.696	2.383	(0.313)
CBSS	Misc(Contingency)	0.443	0.423	(0.020)
CBSS	Corporate Schemes (former EIF)	15.318	15.318	0.000
	Total	95.290	94.389	(0.901)

Table 1 Capital Programme Forecast Outturn 2015/16

Analysis

7. A summary of the key exceptions, and their implications on the capital programme, are highlighted below.

CSES – Children Services, Education and Skills

8. There are no variations to report and the forecast spend inclusive of the above for 15/16 is £13.361m.

Adult Social Services

9. No variations are proposed as part of this report and the forecast spend inclusive of the above for 15/16 is £1.464m.

Communities and Neighbourhood Services – Communities, Culture and Public Realm

10. Two schemes require re-profiling of budgets over £100k to future years. Better Play Areas requires budget of £290k to be moved to 16/17 from 15/16. This is to allow time for planning permissions to be obtained. Secondly the Knavesmire Culverts schemes requires £270k to be re-profiled from 15/16 to 16/17 as the CCTV surveys to assess the condition of specific culverts have not yet been undertaken and remediation work will not start until next financial year.
11. Programmed work will still be completed at the Leeman Road War Memorial and Triangle Gardens. However, it has been identified that landscaping works can be funded from revenue using section 106 funds allocated to open spaces.
12. It is proposed that the £50k of capital resource released by using s106 is used to fund the range of river safety measures recommended by the Royal Society for the Prevention of Accidents. Phase one of the work programme includes the introduction of new life buoys, post and chain fencing along the River Foss and improvements to river side tow paths. Phase two of the work will see new ladders and chains installed to aid exit from the river and replacement post and chain fencing at Wellington Row and Kings Staith.
13. Following this transfer, the remaining £28k capital budget in the War Memorial programme will be spent on the capital work at the Leeman Road War Memorial and Triangle Gardens.

14. The capital programme to refurbish the Theatre Royal, originally projected to require 27 weeks, will now require a minimum of 47 weeks to complete. The principal reasons for this extension include:
 - The discovery of asbestos in the back wall of the stalls
 - Archaeology: Reasonable time provision was made to deal with the archaeology but some extension has been required by the extensive nature of the St Leonard's Hospital foundations uncovered (thought to have been destroyed in the Victorian period)
 - Significant complications arising from working with the medieval fabric uncovered during the works
15. The additional capital cost to the theatre of the time extension is circa £250k. The Theatre is continuing its fund-raising campaign, and is now close to its original target, but there is little prospect of closing the extra gap in the time available.
16. The time extension also has revenue implications for the Theatre of just over £500k. This is caused by:
 - The additional cost of staging the pantomime in the tent, especially creating portakabin type facilities to house the production crew, etc.
 - A continuing dark period up to a revised re-opening date of 22 April
17. The Theatre will be seeking to close this gap through a number of routes including seeking Arts Council "Intervention Funding". A Council contribution towards the capital overspend of £20k will be required in order to support the theatre's application. It is proposed that this is funded from the Capital Contingency. There is currently budget available of £443k and should this £20k be approved, the revised budget would be £423k. The payment will be subject to the funding application being successful.
18. The revised budget is therefore £2.660m.

Communities and Neighbourhood Services - Housing & Community Safety

19. A number of amendments are proposed in relation to Housing and Community Safety resulting in a net reduction of £60k.

Requests are made to reallocate HRA funds totalling £222k from Major Repairs allowance schemes to the Building Insulation programme (£128k) and Modernisation of Local Authority Homes (£94k). The over spend on Modernisation is due to significant fire remedial works required across Sheltered Housing schemes. The overspend on Building Insulation is due

to the window replacements at Gale Farm Court and Festival Flats being more complex and more expensive than initially anticipated.

20. These overspends have been managed by removing non-essential major repairs works from this year's programme. For example by not bringing forward any additional Tenants Choice properties to offset any tenant refusals, therefore bringing the overall HRA programme to a nil forecast variance
21. Revisions to the Local Authority Homes Phase 1 schemes have resulted in the following expenditure plans:

Individual Scheme	Current Approved Budget (£m)	Forecast per Monitor 2 (£m)	Variance (£m)
Beckfield Lane	3.645	3.522	(0.123)
Chaloners Road	1.000	1.409	0.409
Fenwick Street	0.985	1.525	0.539
Hewley Avenue	0.926	1.206	0.280
Newbury Avenue*	1.125	1.125	0.000
Pottery Lane	0.830	1.101	0.271
Pack of Cards	1.677	1.765	0.088
Ordnance Lane Hostel and Housing	7.160	6.100	(1.060)
Total	17.348	17.753	0.404

*Note that this scheme is under review pending further consultation.

22. The expenditure as a whole will be funded by £11.395m HRA Investment Fund, £403k HCA grant, £2.949m RTB receipts, £1.226k commuted sums and £1.780 market sale receipts.
23. Re-profiling of budget to future years of £60k will also be undertaken as part of this report.
24. This results in a projected outturn of £19.133m in 15/16.

City & Environmental Services – Highways & Waste

25. There are no variations to report and the programme is currently projecting a 15/16 spend of £6.226m.

City & Environmental Services - Transport + Economic Development

26. There is a single variation to report in relation to the Access York programme of works. Final accounts are now being settled along with compensation claims, with the latest estimate requiring £100k of funding. The funding to address these items will come from the existing Local Transport Plan budget which has capacity to deal with this variation.
27. The revised budget results in a projected outturn of £8.619m in 15/16.
28. The Economic Development budget of £58k has been transferred to Property and Asset Management as part of this report.

City & Environmental Services – Community Stadium

29. There are no amendments to report. As contracts are finalised the profile will be updated to reflect the development schedule.

Customer and Business Support Services - Administrative Accommodation

30. No changes to the projected spend are proposed at this monitor with in year spend budgeted at £0.512m.

Customer and Business Support Services – Asset Management / IT Development Plan / Contingency/ Corporate Schemes

31. A number of minor changes have taken place as part of this monitor resulting in a small decrease of budget by a net £17k. This has been driven by the removal of an external contribution and the transfer of Small Business Workshops budget into the Asset Management area.
32. The IT development plan programme of works requires £313k of funds to re-profile from 15/16 to 16/17 reflecting the latest delivery plans for the current financial year.
33. Mansion House – The contract for this project will be awarded in line with the procurement process. During the tender process, the contractor has also provided costs for some other essential maintenance. It was always known that these maintenance costs would need to be incurred at some point in the next few years as they are necessary to maintain the fabric of the building. These costs, totalling £180k, will be charged to the existing critical repairs budget.

34. The header Corporate Schemes contains a number of programmes of work previously referred to as the Economic Infrastructure Fund. It is proposed that individual schemes contained under this header will be allocated out on a scheme by scheme basis within the capital programme at the next monitor.
35. The unallocated balance currently stands at £770k and will be considered as part of the budget process.

Summary

36. As a result of the changes highlighted above the revised 5 year capital programme is summarised in Table 2.

Gross Capital Programme	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m	£m	£m
Children's Services, Education & Skills	13.361	15.312	5.256	5.081	5.081	44.091
Adult Social Services and Public Health	1.464	0.917	0.967	0.915	0.565	4.828
Communities Culture & Public Realm	2.660	0.588	0	0	0	3.248
Highways & Waste	6.226	3.231	3.168	2.977	2.977	18.579
Housing & Community Safety	19.133	14.723	9.831	8.472	9.812	61.971
Transport	8.619	2.293	4.331	1.660	1.660	18.563
Community Stadium	20.745	0	0	0	0	20.714
Asset Management	3.576	1.212	0.300	0.300	0.300	5.688
West Offices - Admin Accom	0.512	0	0	0	0	0.512
IT Development Plan	2.383	2.533	2.245	2.025	1.970	11.156
Contingency	0.423	0	0	0	0	0.423
Corporate Schemes	15.318	2.284	0	0	0	17.602
Revised Programme	94.389	43.093	26.098	21.430	22.365	207.375

Table 2 Revised 5 Year Capital Programme

Funding the 2015/16 – 2019/20 Capital Programme

37. The revised 2015/16 capital programme of £94.389m is funded from £47.417m external funding and £46.972m of internal funding. Table 3 shows the projected call on resources going forward.

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	94.389	43.093	26.098	21.430	22.365	207.375
Funded by:						
External Funding	47.417	25.657	16.890	14.086	14.344	118.394
Council Controlled Resources	46.972	17.436	9.208	7.344	8.021	88.981
Total Funding	94.389	43.093	26.098	21.430	22.365	207.375

Table 3 – 2015/16 –2019/20 Capital Programme Financing

38. The Council controlled figure is comprised of a number of resources that the Council has ultimate control over how it chooses to apply them, these include Right to Buy receipts, Revenue Contributions, Supported (government awarded) Borrowing, Prudential (Council funded) Borrowing, Reserves and Capital Receipts.

39. Capital receipts should be considered at risk of not being realised within set time frames and to the estimated values until the receipt is received. The capital programme is predicated on a small number of large capital receipts which, if not achieved, would cause significant funding pressures for the programme. The Director of Customer and Business Support closely monitors the overall funding position to ensure that over the full duration of the capital programme it remains balanced. Any issues with regard to financing will be reported as part of the standard reporting cycle to the Executive.

Council Plan

40. The capital programme is decided through a formal process, using a Capital Resource Allocation Model (CRAM). CRAM is a tool used for allocating the Council's capital resources to schemes that contribute toward the achievement of the Council Plan. The Capital Asset Board (CAB) meet monthly to ensure the capital programme targets the Councils Plan. The capital programme addresses all priorities of the Council Plan as shown in the main body of the report.

Implications

Financial Implications

41. The financial implications are considered in the main body of the report.

Human Resources Implications

42. There are no HR implications as a result of this report.

Equalities Implications

43. There are no equalities implications as a result of this report

Legal Implications

44. There are no legal implications as a result of this report

Crime and Disorder

45. There are no crime and disorder implications as a result of this report

Information Technology

46. The information technology implications are contained in the main body of the report.

Property

47. The property implications of this paper are included in the main body of the report.

Risk Management

48. The capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Board (CAB) meets regularly to plan monitor and review major capital schemes to ensure that all capital risks to the Council are minimised.

Authors:	Cabinet Member & Chief Officer Responsible for the report:		
Debbie Mitchell Corporate Finance Manager 01904 554161	Ian Floyd Director of Customer & Business Support Services		
	Report Approved	√	Date 19/10/15
Wards Affected: <i>All</i>			
<i>For further information please contact the authors of the report</i>			

Annexes

Annex A – Capital Programme 2015/16 to 2019/20

List of Abbreviations used in the report:

CAB – Capital Assets Board

CRAM - Capital Resource Allocation Model

CCTV – Close circuit television

EIF – Economic Infrastructure Fund

H&S – Health & Safety

H&WB – Health & Well Being

HCA – Homes and Communities Agency

HRA – Housing Revenue Account

LED – Light emitting diode

MRA – Malta Resources Agency

RTB – Right to Buy

SEN – Special Educational Needs

ANNEX A

	2015/16 Mon 2 Adj £000	2015/16 Mon 2 Reprofile £000	2015/16 Revised Budget £000	2016/17 Revised Budget £000	2017/18 Revised Budget £000	2018/19 Revised Budget £000	2019/20 Budget £000	Gross Capital Programme To be Funded 15/16 - 19/20 £000
CSES - Children's Services, Education and Skills								
NDS Devolved Capital			436	431	431	431	431	2,160
DfE Maintenance			3,998	2,400	2,400	2,400	2,400	13,598
Basic Need			1,584	11,656	2,250	2,250	2,250	19,990
Huntington Secondary School - New Block			85	0	0	0	0	85
Universal Infant Free School Meals			124	0	0	0	0	124
Fulford School Expansion			5,870	450	0	0	0	6,320
Carr Junior Expansion			58	0	0	0	0	58
St Barnabas Primary Expnasion			646	0	0	0	0	646
Schools Electrical Supply Upgrade			257	200	0	0	0	457
Family Drug & Alcohol Assess/Recovery Facility			100	0	0	0	0	100
Knavesmire Classroom Expansion			28	0	0	0	0	28
Enhanced Resource Provision - SEN			175	175	175	0	0	525
TOTAL GROSS EXPENDITURE	0	0	13,361	15,312	5,256	5,081	5,081	44,091
TOTAL EXTERNAL FUNDING	0	0	12,829	15,037	5,081	5,081	5,081	43,109
TOTAL INTERNAL FUNDING	0	0	532	275	175	0	0	982
H&WB - Adult Social Services & Public Health								
Joint Equipment Store			136	105	105	105	105	556
Disabled Support Grant			170	180	190	200	210	950
Telecare Equipment			360	250	250	250	250	1,360
Adult Services Community Space			8	0	0	0	0	8
OPH Infrastructure Works			192	0	0	0	0	192
Older Person's Accommodation Review			542	382	422	360	0	1,706
Burton Stone Community Centre			56	0	0	0	0	56
TOTAL GROSS EXPENDITURE	0	0	1,464	917	967	915	565	4,828
TOTAL EXTERNAL FUNDING	0	0	606	382	360	0	0	1,348
TOTAL INTERNAL FUNDING	0	0	858	535	607	555	565	3,120
CANS - Communities, Culture and Public Realm								
Millfield Lane Comm Sports Centre			380	0	0	0	0	380
York Explore Phase 2			83	0	0	0	0	83
Barbican Auditorium			17	0	0	0	0	17
Parks and Open Spaces Development			120	0	0	0	0	120
Little Knavesmire Pavilion	95		728	0	0	0	0	728
Museums Trust			500	0	0	0	0	500
War Memorial	-50	-28	0	28	0	0	0	28
Smarter York - Better Play Areas		-290	5	290	0	0	0	295
York Art Gallery Gardens			350	0	0	0	0	350
York Theatre Royal	20		140	0	0	0	0	140
Public Convenience Facilities			138	0	0	0	0	138
River Safety	50		50	0	0	0	0	50
Litter Bin Upgrade (solar powered)			138	0	0	0	0	138
Knavesmire Culverts		-270	5	270	0	0	0	275
Newgate Market Area works - WCs storage	6		6	0	0	0	0	6
TOTAL GROSS EXPENDITURE	121	-588	2,660	588	0	0	0	3,248
TOTAL EXTERNAL FUNDING	95	-90	817	90	0	0	0	907
TOTAL INTERNAL FUNDING	26	-498	1,843	498	0	0	0	2,341
CES - Highways & Waste								
Highway Resurfacing & Reconstruction (Struct Maint)			3,081	2,831	2,768	2,577	2,577	13,834
Special Bridge Maintenance (Struct maint)			354	200	200	200	200	1,154
Replacement of Unsound Lighting Columns			179	0	0	0	0	179
LED Lighting Replacement Programme			1,327	0	0	0	0	1,327
Fleet Vehicles			430	0	0	0	0	430
Highways Improvements			173	0	0	0	0	173
Watercourse Restoration			100	0	0	0	0	100

ANNEX A

	2015/16 Mon 2 Adj £000	2015/16 Mon 2 Reprofile £000	2015/16 Revised Budget £000	2016/17 Revised Budget £000	2017/18 Revised Budget £000	2018/19 Revised Budget £000	2019/20 Budget £000	Gross Capital Programme To be Funded 15/16 - 19/20 £000
Highways Drainage Works			226	200	200	200	200	1,026
Highways, Road Adoption and Drainage Fund			250	0	0	0	0	250
Wheeled Bins in Back Lane and Terraced Areas			106	0	0	0	0	106
CANS - Housing & Community Safety								
Modernisation of Local Authority Homes	94		2,425	2,035	2,022	1,139	1,361	8,982
Assistance to Older & Disabled People			400	400	400	400	400	2,000
MRA Schemes	-222		4,656	4,803	4,774	4,808	5,066	24,107
Local Authority Homes - Phase 1			8,984	4,700	0	0	0	13,684
Water Mains Upgrade			270	1,000	1,000	500	1,250	4,020
Building Insulation Programme	128		320	0	0	0	160	480
Disabled Facilities Grant (Gfund)			1,019	1,175	1,225	1,275	1,275	5,969
Air Quality Monitoring (Gfund)		-60	70	60	0	0	0	130
Loft Conversions			289	0	0	0	0	289
IT Infrastructure			500	450	410	350	300	2,010
Empty Homes (Gfund)			200	100	0	0	0	300
TOTAL GROSS EXPENDITURE	0	-60	19,133	14,723	9,831	8,472	9,812	61,971
TOTAL EXTERNAL FUNDING	-222	-60	5,270	5,563	5,524	5,608	5,866	27,831
TOTAL INTERNAL FUNDING	222	0	13,863	9,160	4,307	2,864	3,946	34,140
CES - Transport								
Better Bus Area Fund			612	0	0	0	0	612
Local Transport Plan (LTP)	-100		4,476	1,870	1,870	1,570	1,570	11,356
York City Walls - Repairs & Renewals (City Walls)			253	90	90	90	90	613
Access York	100		350	0	0	0	0	350
Leeman Road Flood Defences			317	0	0	0	0	317
Alley Gating			58	0	0	0	0	58
Highways Improvements			2,220	0	0	0	0	2,220
Scarborough Bridge			333	333	2,371	0	0	3,037
CES - Community Stadium								
Community Stadium			20,714	0	0	0	0	20,714
TOTAL GROSS EXPENDITURE	0	0	20,714	0	0	0	0	20,714
TOTAL EXTERNAL FUNDING	0	0	14,304	0	0	0	0	14,304
TOTAL INTERNAL FUNDING	0	0	6,410	0	0	0	0	6,410
CBSS - Economic Development								
Small Business Workshops	-58		0	0	0	0	0	0
TOTAL GROSS EXPENDITURE	-58	0	0	0	0	0	0	0
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	-58	0	0	0	0	0	0	0
CBSS - Asset Management								
Fire Safety Regulations - Adaptations			108	0	0	0	0	108
Removal of Asbestos			56	0	0	0	0	56
Riverbank Repairs - Scarborough to Clifton Bridge			6	0	0	0	0	6
Riverbank Repairs - Marygate			251	0	0	0	0	251
Photovoltaic Energy Programme			346	0	0	0	0	346
Parliament Street Toilet Demolition	-6		0	0	0	0	0	0
29 Castlegate Repairs			33	0	0	0	0	33
Decent Home Standards Works			11	0	0	0	0	11
Fishergate Postern	-35		18	0	0	0	0	18
Holgate Park Land - York Central Land and Clearance			397	0	0	0	0	397
Hazel Court - Office of the Future Improvements			1	0	0	0	0	1
Asset Maintenance + Critical H&S Repairs			347	200	200	200	200	1,147
Community Asset Transfer			175	0	0	0	0	175
River Bank repairs			339	0	0	0	0	339

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	2015/16 Mon 2 Adj £000	2015/16 Mon 2 Reprofile £000	2015/16 Revised Budget £000	2016/17 Revised Budget £000	2017/18 Revised Budget £000	2018/19 Revised Budget £000	2019/20 Budget £000	Gross Capital Programme To be Funded 15/16 - 19/20 £000
Stonebow House Freehold			62	0	0	0	0	62
Critical Repairs and Contingency			356	0	0	0	0	356
Mansion House Restoration			912	912	0	0	0	1,824
Project Support Fund			100	100	100	100	100	500
Small Business Workshops	58		58	0	0	0	0	58
TOTAL GROSS EXPENDITURE	17	0	3,576	1,212	300	300	300	5,688
TOTAL EXTERNAL FUNDING	-35	0	544	544	0	0	0	1,088
TOTAL INTERNAL FUNDING	52	0	3,032	668	300	300	300	4,600
CBSS - IT Development Plan								
IT Equipment		-313	2,383	2,533	2,245	2,025	1,970	11,156
TOTAL GROSS EXPENDITURE	0	-313	2,383	2,533	2,245	2,025	1,970	11,156
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	0	-313	2,383	2,533	2,245	2,025	1,970	11,156
CBSS - West Offices (Admin Accomodation)								
West Offices - Admin Accom			512	0	0	0	0	512
TOTAL GROSS EXPENDITURE	0	0	512	0	0	0	0	512
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	0	0	512	0	0	0	0	512
Capital Contingency								
Capital Contingency	-20		423	0	0	0	0	423
TOTAL GROSS EXPENDITURE	-20	0	423	0	0	0	0	423
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	-20	0	423	0	0	0	0	423
Corporate Schemes								
Better Bus Fund			773	0	0	0	0	773
Built Environment Fund			100	2,062	0	0	0	2,162
Corporate Schemes central fund - to be allocated			14,445	222	0	0	0	14,667
TOTAL GROSS EXPENDITURE	0	0	15,318	2,284	0	0	0	17,602
TOTAL EXTERNAL FUNDING	0	0	6,452	90	0	0	0	6,542
TOTAL INTERNAL FUNDING	0	0	8,866	2,194	0	0	0	11,060
Gross Expenditure by Department								
CSSES - Children's Services, Education and Skills	0	0	13,361	15,312	5,256	5,081	5,081	44,091
H&WB - Adult Social Services & Public Health	0	0	1,464	917	967	915	565	4,828
CANS - Communities, Culture and Public Realm	121	-588	2,660	588	0	0	0	3,248
CES - Highways & Waste	0	0	6,226	3,231	3,168	2,977	2,977	18,579
CANS - Housing & Community Safety	0	-60	19,133	14,723	9,831	8,472	9,812	61,971
CES - Transport	0	0	8,619	2,293	4,331	1,660	1,660	18,563
CES - Community Stadium	0	0	20,714	0	0	0	0	20,714
CBSS - Economic Development	-58	0	0	0	0	0	0	0
CBSS - Asset Management	17	0	3,576	1,212	300	300	300	5,688
CBSS - IT Development Plan	0	-313	2,383	2,533	2,245	2,025	1,970	11,156
CBSS - West Offices (Admin Accomodation)	0	0	512	0	0	0	0	512
Capital Contingency	-20	0	423	0	0	0	0	423
Corporate Schemes	0	0	15,318	2,284	0	0	0	17,602
Total by Department	60	-961	94,389	43,093	26,098	21,430	22,365	207,375
TOTAL GROSS EXPENDITURE	60	-961	94,389	43,093	26,098	21,430	22,365	207,375
TOTAL EXTERNAL FUNDING	-162	-150	47,417	25,657	16,890	14,086	14,344	118,394
TOTAL INTERNAL FUNDING	222	-811	46,972	17,436	9,208	7,344	8,021	88,981

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Executive**26 November 2015****Report of the Director of Customer & Business Support Services****2015/16 Finance and Performance Monitor 2****Purpose of the Report**

- 1 To present details of the Council's finance and performance position for the period covering 1 April to 30 September 2015, together with an overview of any emerging issues. This is the second report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.

Recommendations

- 2 Executive is asked to note the current finance and performance information
Reason: to ensure expenditure is kept within the approved budget

Summary

- 3 The forecast financial pressures facing the council are projected at £1,250k. This is an improvement of £654k from the £1,904k reported at Monitor 1 and previous years where the monitor 2 forecast was £1,309k at this time last year and £3,364k in 2013/14.

Analysis

- 4 All aspects of the public sector are continuing to face challenging times in the light of the Government's commitment to reduce the national deficit as first outlined in the Comprehensive Spending Review (CSR) published in October 2010. As a result, in recent years the Council has had to deal with very large reductions in funding, combined with a range of significant pressures.
- 5 The Council's net budget is £119,760k. Following on from previous years, the challenge of delivering savings continues with £12m to be achieved in order to reach a balanced budget. Early forecasts indicate the Council is facing financial pressures of £1,250k and an overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below. There is the potential that additional pressures of £3m could materialise in Adult Social Care due to funding issues within the Vale of York Clinical

Commissioning Group. Further details are provided in paragraphs 24 and 25 of this report.

2014/15 outturn		2015/16 Monitor 1	2015/16 Monitor 2
£'000		£'000	£'000
+196	Children's Services, Education & Skills	+1,113	+1,030
+957	City & Environmental Services	+610	+597
+98	Communities & Neighbourhoods	+257	+327
-219	Customer & Business Support Services	nil	nil
+193	Adult Social Care	-177	+133
+108	Public Health	-59	-127
+8	Office of the Chief Executive	+160	+160
-2,029	Central budgets	nil	-870
-688	Total	+1,904	+1,250

Table 1: Finance overview

- 6 The following sections provide more details of the main variations and any mitigating actions that are proposed.

Children's Services, Education & Skills

- 7 Despite a reduction in the number of Children Looked After and a reduction in expenditure of almost £1m since 2012/13, the underlying budget pressure from previous years results in a net projected overspend within children's social care resources budgets. This includes forecast pressures on Out of City, Independent Foster Agency placements and contract placements (£551k, £580k and £144k respectively).
- 8 Within Children's Safeguarding additional staffing costs of £119k are being incurred. This is due to an extra staff being employed in excess of the numbers provided for within the budget to cope with the increased demand. In addition, a number of vacant posts are being covered by more expensive agency staff also creating a budget pressure. Forecast pressures, due to increased complexity of cases, of £79k on The Glen, £189k on Adoption, Residence and Guardianship order and £96k on transport are partly offset by under spends on Inter Agency Adoption Fees (£79k), children's trust staffing (£54k) and legal fees (£41k).

- 9 It is considered that the current expenditure levels in this area are now at the appropriate level to ensure proper safeguarding arrangements and adequate provision. The number of Children Looked After is unlikely to reduce in the foreseeable future, and York's unit cost is already the lowest of all 150 Local Authorities nationally. Although opportunities to reduce costs further will continue to be explored any further savings in this area are likely to be limited. Therefore, options elsewhere within the directorate will need to be considered to produce a balanced budget for 2015/16.
- 10 A number of posts being kept vacant within early years learning & welfare and connexions services result in a forecast under spend of £345k. A range of smaller variations make up the overall directorate position.

City & Environmental Services

- 11 Car parking income to the 30th September 2015 was £91k (3.17%) below forecast. This is offset by increased income from ResPark and season tickets. The year end forecast for the parking account is £130k. The largest year on year % reduction is from Marygate car park (15%) where Pay on Exit Trial is being trialled. This has been partly due to technical issues impacting income levels. Actual income will continue to be monitored closely.
- 12 There is a forecast overspend of £153k due to the forecast shortfall in dividend from Yorwaste due to the company facing difficult trading conditions, £185k due to unachieved income targets from charges at the Household Waste Recycling Centre and a shortfall in income from green waste subscriptions (£59k). In addition there are forecast savings in waste disposal from lower tonnages (£116k) and additional income from landfill gas (£105k).
- 13 There is a shortfall of £100k unachieved ANPR income due to the non-enforcement of Coppergate and £42k additional costs across CCTV mainly due to the use of temporary staffing. A range of other minor under spends and proposed mitigations make up the total directorate position.

Communities & Neighbourhoods

- 14 There is a forecast overspend arising from the cost of retaining the former Waterworld facility prior to demolition (£167k), mainly due to business rates, utilities and security costs. There is also a forecast overspend of £83k in Adult Learning arising from the loss of contacts and subsequent redundancy costs. All contracts across the service are being reviewed to

ensure costs are recovered. A range of other minor under spends and proposed mitigations make up the total directorate position.

Customer & Business Support Services

- 15 A range of budget variations is currently forecast however, mitigation plans are in place to ensure the directorate outturns within the approved budget. Work will continue to try and identify additional savings to help the overall position.

Adult Social Care

- 16 The directorate is forecasting a net overspend for the year of £133k.
- 17 There is a net projected under spend of £124k on staffing budgets due mainly to some posts being held vacant pending a review of the service.
- 18 Residential and nursing care budgets are projected to under spend by £205k. This is due to a projected increase in Continuing Health Care income being secured and fewer Older Person's Nursing Care placements than budgeted. This is offset by additional costs being incurred in respect of Haisthorpe House residential home following a judgement by the Care Quality Commission that the home was inadequate. The Council worked to secure continuity of care for the 17 CYC customers placed there by funding £178k of additional care costs. Without this intervention it would have been necessary to move customers from this home to higher cost placements elsewhere.
- 19 Based on the number of Deprivation of Liberty Safeguards (DoLS) assessments carried out to date there is likely to be an under spend on this budget of £128k.
- 20 There is a projected overspend of £236k within Older Peoples Home budgets. This is due to net additional staffing costs of £186k, mainly in respect of care assistant costs that have been maintained beyond the originally budgeted for dementia matters pilot period (+£143k) and additional service manager costs (+£57k). There is also a projected under recovery of income of £34k as occupancy levels are lower than assumed at the time the budget was set.
- 21 Small Day Service and Supported Employment budgets are projected to under spend by £109k due mainly to staffing savings resulting from a number of vacant posts across the service. Supported Living Schemes are expected to overspend by a net £254k. This is a significant change from the previous monitor when a net under spend of £146k was expected based on projected placement numbers and customer needs. However,

projected costs have subsequently increased by £400k due to the Whittlestone legal judgement. The judgement finds that overnight (sleep in) staff must now be paid the same hourly rate as day staff, rather than a flat rate for the night as was the case in several of our schemes.

- 22 The directorate's budget for 2015/16 includes a requirement to deliver savings totalling £1.3m from the on-going work being undertaken on service transformation. To date savings of £1,075k have been identified leaving a budget pressure of £225k. Other pressures within the director's staffing budget and redundancy costs account for the remaining £58k projected overspend.

Better Care Fund (BCF) Risk

- 23 The BCF is an £11m pooled budget between CYC and Vale of York Clinical Commissioning Group (VYCCG), and is a government initiative to transform local health and social care services so that they work together to provide better joined up care and support.
- 24 As a result of significant in year financial pressures NHS England has required VYCCG to produce a Financial Recovery Plan. In the latest draft of this plan VYCCG is proposing to substantially reduce the amount that they contribute to the BCF pooled budget in 2015/16. A significant proportion of the pooled budget is earmarked to be spent on protecting Adult Social Care services. This means that if the current proposal is implemented it could create a budget pressure of up to £3m within Adult Social Care budgets. This represents a significant financial risk to CYC and discussions are ongoing with a view to ensuring essential funding is passed over to the Council.

Public Health

- 25 Within Public Health there is a forecast under spend of £127k. The main under spends come from Substance Misuse (£49k), reviewing provision of emergency hormonal contraception (22k) and staffing/consultancy budgets (£55k). This does not take account of the proposed in year reduction in public health grant as Government is still consulting on the method for apportioning this reduction. If taken as a straight 7% reduction across all Councils this would be approximately £520k for York.

Office of the Chief Executive

- 26 A range of budget variations is currently forecast, mainly due to staffing pressures following a number of restructures across the directorate. Mitigation plans are being developed to address these pressures.

Housing Revenue Account

- 27 The Housing Revenue Account (HRA) is budgeted to make an in year surplus of £2.6m. A review of the budgets in the area shows that, overall, a small under spend of £2k is forecast. This is made up of an over spend of £250k on repairs and maintenance due to the continued use of subcontractors mainly in connection with damp works and is offset by a range of other under spends mainly due to lower than forecast levels of arrears. This will continue to be monitored as further elements of welfare reform are introduced. The working balance of £14m at 31/3/15 will therefore increase to £16.6m by 31/3/16 in line with the HRA business plan.
- 28 Work is still in progress to update the HRA business plan following the recent government announcements to require councils to sell their high value properties when they become vacant and to reduce social housing rents by 1% per year for the next four years. While the full extent of the impact of these changes is not yet known, the HRA will be required to make significant efficiencies in order to mitigate the reduction in income without reducing the HRA balance below prudent and sustainable levels.
- 29 To give some idea of the scale of these changes and their impact on the HRA, the requirement to reduce housing rents by 1% could potentially reduce income by up to £12m over a 4 year period. This is because the business plan assumed annual rent increases of approximately 3% pa. The requirement for a 1% reduction therefore results in a swing of some 4%.

Corporate Budgets

- 30 These budgets include Treasury Management and other corporately held funds. It is anticipated that a £750k under spend will be achieved, predominantly through improved Treasury Management performance as a result of reviewing some assumptions on the cash flow position which will mean more interest being earned than previously anticipated and improved performance on Business Rates.

Loans

- 31 Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. The only loan in this category is that of £1m that was made to Yorwaste, a company part owned by the Council, in June 2012. Interest is charged at 4% plus base rate meaning currently interest of 4.5% is being charged. All repayments are up to date.

Performance – Service Delivery

Children’s Services, Education & Skills

- 32 The number of children in care remained in line with previous trends at 203. This is in the safe and expected range of 190-210.
- 33 The number of children subject to a Child Protection Plan increased in Q2, and is expected to increase further over the coming months, due to an increase in the number of cases going to Initial Child Protection Conference, before reducing back to the levels seen at Q1.
- 34 Overall attainment of the City’s children at Key Stage 1 has improved from 2014 to 2015, although Writing remains below the national average. The gap in attainment between disadvantaged children and their peers continues to narrow.
- 35 At Key Stage 2, 68% of children achieved Level 4B+ in Reading, Writing and Maths, slightly lower than 2014 and below the national average. Results showed improvements in both Reading and Writing but a decline in Maths. This is an area of concern and is a focus for schools across the city over the coming year.
- 36 The number of children getting 5 or more A*-Cs (inc English and Maths) at KS4 is 63% in 2015, which is an increase of 1% on last year. This is a strong result against the national picture. Information on the gap between pupils eligible for Free School Meals and their peers will become available in December.
- 37 In last 12 months York has experienced a very low rate of 10-17 year olds being given custodial sentences and this is lower than at any time in the last 4 years.

City & Environmental Services

- 38 535 missed bins were reported between July and September with 62% put right by the end of the next working day. Although the number of missed bins has decreased by 33% compared to the same period in 2014/15, the percentage put right within timescale has also fallen. In Q2 2014/15 there were 794 missed bins with 71% put right by the end of the next working day.
- 39 In September, City of York Council joined forces with Unipart Rail to become the first local authority in the UK to trial a new fuel additive, which is set to save the council up to £50,000 a year and significantly reduce toxic emissions from the council’s vehicles. The scheme is being trialled

on a range of vehicle types across its fleet, at no incremental cost to the council, which on average uses around 800,000 litres of diesel a year.

Communities & Neighbourhoods

- 40 The number of families being accepted as homeless has increased by 2 to 25. Families, single females and males with children accepted as homeless has increased but the number of couples with children has fallen. The number of children in temporary accommodation has decreased to 82 (from 84), but the number of families in temporary accommodation remains the same at 47.
- 41 In November the Tenant & Leaseholder Annual Report 2014-2015 will be sent to about 8,000 residents in the city. This report produced by the Tenant Scrutiny Panel of six council tenants, shows that York is one of the best-performing local authority landlords in the country in a number of areas.
- 42 The average void period for council houses has reduced from 3.5 weeks in Q1 to 3.3 weeks in Q2 (3.9 weeks in Q2 2014/15) with the number of void council house properties reducing from 188 in Q1 to 160 in Q2 (176 in Q2 2014/15). The number of mutual exchanges of council houses has increased from 30 in Q1 to 40 in Q2.
- 43 Total crime in York is forecast to increase 11% compared to the previous year and are projected to revert back to the figures of 2012/13 and 2013/14. Significant increases are forecast in violent crime, shoplifting and burglary non-dwelling categories. Latest benchmarking information show rates of crime at a national level have also risen significantly in Q2, and levels of overall crime in comparable authorities are increasing at greater rates than in York. Reports of domestic violence are predicted to be 6% greater than those reported during the same timeframe in 2014/15.
- 44 Levels of anti-social behaviour recorded by the police are predicted to be at similar levels to the previous year with the city centre cumulative impact zone seeing a small reduction in incidents. Since the ASB Hub started collecting data in February 2015, there have been 1005 new cases recorded. By August, there were 460 cases recorded that have now been classified as closed of which 430 had been resolved (93%) and 30 unresolved (7%).

Customer & Business Support Services

- 45 The second quarter saw a small reduction in call volumes for general enquiries to 60,489 (66,218 Quarter 1) and 7,244 (8,114) for Benefits. The predicted improvement in performance in both areas has been

delivered with performance against service level target (80%) increasing to 68.1% (45% Quarter 1) general enquiries and 78.8% (59.1% quarter 1) for Benefits. The total percentage of all calls answered in both areas was 92.5% and 94.5% respectively in quarter 2. The improving performance continues into quarter 3. The number of residents visiting the customer centre in quarter 2 increased to 18,965 (17,504 quarter one) and the average wait time remained above target (10 Minutes) at 9.5 minutes.

46 The collection rate for Council Tax at the end of quarter 2 was 56.82% compared with 56.69% at the end of quarter 2 2014/15 and Business Rates 58.02% compared with 56.7 in quarter 2 2014/15.

47 Housing Benefit performance remains on target at the end of quarter 2 with a combined (New Claims/Change of Circumstance) average of 11 days.

Adult Social Care

48 York continues to steadily improve its performance on the proportion of older people still at home 91 days following re-ablement or rehabilitation compared to previous years. However, we are still slightly behind the regional and national averages. York is still one of the worst performers regionally and nationally at how widely reablement and rehabilitation services are offered. Work is ongoing with NHS commissioners and providers to develop an improved reablement offer.

49 Quarter 1 figures in 2015/16 for those people who experienced a delay in their transfer of care from hospital to adult social care services showed an improvement on the same quarter the previous year and continued the downward trend experienced over the last 12 months. This is positive; however we are still performing poorly on this measure compared to regional and national averages (based on 2014/15 end of year data). As part of our strategic approach to addressing this, we have redrafted the policy for managing delayed transfers of care and we will now focus on delivering this to the new framework. We are also looking to establish how York's demographics play a part in our performance outturns. Many of our statistical neighbours experience poor performance in this area too, so we will look to compare issues and learn from those who are doing better.

50 York continues to perform strongly on the overall satisfaction of people who use services with their care and support, although there was a slight dip (from 67.4% to 67.1%) between 2013/14 and 2014/15. However, of some concern are the accompanying indicators that show a comparatively low proportion of customers using our services who say they feel safe. Clearly this is a priority for us, and we will be working with customers, their

families and carers, and partners across the city to understand why they don't feel safe and look at how we can help people to feel safer.

Public Health

- 51 The new Tobacco Profile for York was released in August 2015. There are some new indicators which suggest that smoking prevalence may be lower in York than previously thought. A new measure based on General Practitioner records shows adult prevalence to be 15.8% in York compared with the 18.8% figure obtained from the Integrated Household Survey. The prevalence of regular smoking in 15 year olds based on a new survey is 5.3% in York compared with the previous modelled estimate of 9.6%. The cost per successful quitter in York is £312 which is higher than the national average of £283. Smoking Attributable Admissions in 2013/14 decreased very slightly.
- 52 The Public Health Outcomes Framework was updated in August 2015. York's outcomes against the England average are favourable, particularly for the wider determinants of health and health protection. When similar local authorities are used as the benchmark for York rather than the England average, fewer outcomes are rated better (12% v 29%) and more are rated worse (23% v 4%). Premature and preventable mortality and life expectancy (males) are highlighted as issues for York when similar local authorities are used as the benchmark.

Office of the Chief Executive

- 53 Employment continues to be strong in the City as the number of Job Seekers Allowance claimants continue to fall.
- 54 The total number of working age Benefit Claimants continues to fall (7.5% reduction to 9,870 from 10,670 in 2013/14) but whilst this predominantly consists of the reduction in Out of Work Benefit Claimants (9.3% reduction to 7,670 from 8,460 in 2013/14) there has been an increase in the ESA and Incapacity Benefit Claimants (7.0% increase to 5,500 from 5,140 in 2013/14).
- 55 Figures from the Office for National Statistics showed there were 722 claimants in York in September a fall of 41 from last month and of 653 from September 2014. The figures showed the number of jobseekers in York had fallen for the seventh consecutive month and also highlighted a 67.2 per cent fall in the Youth unemployment count since September 2014. The claimant count represents 0.5 per cent of the working population and contrasts to the regional average which stands at 2.2 per

cent. The figures are also much lower than the national average which stands at 1.6 percent.

- 56 Average wage levels remain a concern and the Council continues to focus on measures to promote high value jobs. On 18 September, City of York Council and the York, North Yorkshire and East Riding Local Enterprise Partnership submitted a bid to government for a new Enterprise Zone which could unlock over £100million to help deliver York's largest brownfield site, York Central. Estimates in the bid suggest this could help to create up to 6,600 jobs in the city, and over £1.1 billion value for the region's economy. The jobs created would be high-value office based jobs, helping to grow York's economy by an estimated 20 per cent and increase average wages in the city. The results of the national process are expected to be announced in November.
- 57 The Council continues work on producing a Local Plan for the city, with new housing and economic baseline projections agreed at the Local Plan Working Group on 29 September. The group agreed to take forward two economic scenarios, a baseline forecast and one with growth more focussed on higher value sectors which would help reverse the decline in average wages seen in recent years while maintaining similar overall jobs growth. These projections will form the basis upon which further variables are built, and inform proposed land allocations.
- 58 The York Open Data website was launched in March 2015 and there are currently 363 data sets available. The number of visitors between July and September was 4,152, with a total of 1,092 downloaded data sets and 3,295 previewed.
- 59 On 30th September 2015 the updated national Index of Multiple Deprivation 2015 was publically released. The IMD measures and rates a number of different domains affecting quality of life including income, employment, education and skills, health and disability, crime, barriers to services and quality of living environments.
- 60 The data shows that York's relative deprivation has improved. York is ranked as the 259th most deprived district in England, out of 326 local authority areas. In 2010 York was ranked 234th. York is ranked as the 2nd least deprived local authority district in the Yorkshire and Humber region (with Harrogate being the least deprived).
- 61 None of York's district's neighbourhoods (LSOA's) ranked in the top 10% most deprived nationally. In 2010 there was 1 neighbourhood, Kingsway West which is now in the 2nd decile (10-20%).

- 62 There are 4 other neighbourhoods (LSOA's) which are in the 2nd decile (10-20%) of most deprivation; 2 in the Kingsway North area of Clifton ward, the James Street area of the Guildhall ward and the Foxwood / Kingsway West area of Westfield ward.

Performance – Employees

- 63 Total Council sickness absence (excluding Schools) has averaged 4.2 days per FTE in the year to date, lower than 5.2 days during the same period in 2014/15. Stress related absence is also slightly lower than the same period last year.
- 64 Employees leaving the Council voluntarily over the last 12 months to end of September has increased slightly to 7.8% of the workforce (7% in 2014/15). All directorates have seen an increase in voluntary turnover apart from CBSS.

Performance – Customers

- 65 Overall customer centre customer satisfaction has increased to 80.6% in Q2 (57.63% in Q2 2014/15) and satisfaction with Face to Face services has also increased to 83.33% in Q2 (56.82% in Q2 2014/15).
- 66 Feedback from businesses was consistent with 2013/14 with 97% reporting that contact with officers was helpful, 98% that the information provided was helpful and 99% that they were treated fairly. The percentage of customers who were satisfied with the action taken by the public protection team to resolve their complaint has remained high at 96%.
- 67 The Highways Department Customer Feedback showed in Q2 that 95% residents described the workforce as excellent or good, 100% residents that felt the site was kept clean and tidy, and 92% residents describing the finished job as excellent or good (90%, 100% and 80% respectively for Q2 2014/15).
- 68 96.2% of housing customers are satisfied that their quality of life in their home has improved due to disabled facilities grant and adaptations work (97.66% Q2 2014/15) and 99% of housing customers are satisfied with the adaptations service (97.67% Q2 2014/15).
- 69 Resident and business satisfaction studies are being facilitated by CYC in the following areas; Tenants Satisfaction Survey; Archives Survey; ASB Hub Outcomes Surveys; Ward Health Outcomes survey; Business

Friendly council survey; Landlords consultation. Initial results from all these surveys should be available in Q3.

Data Availability

- 70 The paper to the Executive on the new Council Plan (24 September), set out a commitment to make an accurate, transparent and easy to understand set of performance measures. All performance data within this document is made available in machine-readable format through the council's open data platform at www.yorkopendata.org

Consultation & Options

- 71 This report is for information so no options are presented.

Council Plan

- 72 The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan.

Implications

- 73 The implications are:
- Financial - the financial implications are dealt with in the body of the report.
 - Human Resources - the HR implications of change is managed in accordance with established council procedures. As part of this process consultation with trade unions and affected staff will continue to be undertaken and every opportunity will be explored to mitigate compulsory redundancies, such as vacancy controls, flexible working, voluntary redundancy / early retirement and extended redeployment. Where consideration is being given to the transfer of services to another provider TUPE will apply which will protect the terms and conditions of employment of transferring staff. A programme of support for staff who are going through change is planned which will help staff adapt to changes to the way they will need to work or to prepare for a move into a new role.
 - Equalities - there are no specific equality implications to this report, however equalities issues are accounted for at all stages of the financial planning and reporting process.
 - Legal - there are no legal implications to this report.
 - Crime and Disorder - there are no specific crime and disorder implications to this report.

- Information Technology - there are no information technology implications to this report.
- Property - there are no property implications to this report.
- Other - there are no other implications to this report.

Risk Management

- 74 The risk management processes embedded across the council continue to contribute to managing the risk issues associated with major projects and key areas of service delivery.

Authors:	Chief Officer Responsible for the report:			
Debbie Mitchell Corporate Finance & Commercial Procurement Manager Ext 4161	Ian Floyd Director of Customer & Business Support Services			
	Report Approved	✓	Date	16/11/15
Ian Cunningham Group Manager – Shared Intelligence Bureau Ext 5749				
Wards Affected: All				
For further information please contact the authors of the report				

Annexes – None

List of Abbreviations used in the report:

ANPR – Automatic Number Plate Recognition

ASB – Anti Social Behaviour

BCF – Better Care Fund

CCTV – Closed circuit television

CSR – Comprehensive Spending Review

DoLS - Deprivation of Liberty Safeguards

ESA – Employment and Support Allowance

FTE – Full Time Employment

HRA – Housing Revenue Account

IMG - Index of Multiple Deprivation

KS – Key Stage

LSOA's - Lower Layer Super Output Area

ResPark – Resident's Parking Scheme

TUPE - Transfer of Undertakings (Protection of Employment) regulations

VYCCG - Vale of York Clinical Commissioning Group



Executive

26 November 2015

Report of the Director of Customer & Business Support Services

Treasury Management Mid Year Review and Prudential Indicators 2015/16

Purpose of the report

1. The Council is required through legislation to provide members with a mid year update on treasury management activities. This report provides an update on activity for the period 1 April 2015 to 31 October 2015.

Recommendations

2. Members are required, in accordance with the Local Government Act 2003 (revised), to:
 - Note the Treasury Management activities to date in 2015/16
 - Note the Prudential Indicators set out at Annex A and note the compliance with all indicators.

Reason: To ensure the continued performance of the Council's Treasury Management function.

Background

3. The Council's Treasury Management function is responsible for the effective management of the Council's investments, cash flows, banking, and money market transactions. It also considers the effective control of the risks associated with those activities and ensures optimum performance within those risk parameters.

Economic Background and Analysis

4. UK Gross Domestic Product growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country. The 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, possibly

being equal to that of the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% year to year) though there was a rebound in quarter 2 to +0.7% (+2.4% year to year). Growth is expected to weaken to about +0.5% in quarter 3 as the economy faces headwinds for exporters from the appreciation of Sterling against the Euro and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme, although the pace of reductions was eased in the May Budget. Despite these headwinds, the Bank of England August Inflation Report had included a forecast for growth to remain around 2.4 to 2.8% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero over the last quarter. Investment expenditure is also expected to support growth. However, since the report was issued, the Purchasing Manager's Index, (PMI), for services on 5 October would indicate a further decline in the growth rate to only +0.3% in Q4, which would be the lowest rate since the end of 2012. In addition, worldwide economic statistics and UK consumer and business confidence have distinctly weakened so it would therefore not be a surprise if the next Inflation Report in November were to cut those forecasts in August.

5. The August Bank of England Inflation Report forecast was notably subdued in respect of inflation which was forecast to barely get back up to the 2% target within the 2-3 year time horizon. However, with the price of oil taking a fresh downward direction and Iran expected to soon rejoin the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn.
6. There are therefore considerable risks around whether inflation will rise in the near future as strongly as had previously been expected; this will make it more difficult for the central banks of both the US and the UK to raise rates as soon as was being forecast until recently, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets.
7. Capita Asset Services undertook its last review of interest rate forecasts in mid August after the Bank of England's Inflation Report. Later in August, fears around the slowdown in China and Japan

caused major volatility in equities and bonds and sparked a flight from equities into safe havens like gilts and so caused PWLB rates to fall below the forecasts for quarter 4 2015. However, there is much volatility in rates as news ebbs and flows in negative or positive ways and news in September in respect of Volkswagen, and other corporates, has compounded downward pressure on equity prices. This latest forecast includes an increase in Bank Rate in quarter 2 of 2016.

8. Table 1 is Capita's Asset Services Interest Rate forecast for both the bank rate and long term Public Works Loans Board borrowing rates (PWLB – the Debt Management Office subsidiary lending to Local Authorities at preferential rates note all figures are percentages):

	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18
Bank Rate	0.5	0.5	0.75	0.75	1.00	1.00	1.25	1.50	1.50	1.75	1.75
5 Yr PWLB rate	2.40	2.50	2.60	2.80	2.90	3.00	3.10	3.20	3.30	3.40	3.50
10 Yr PWLB rate	3.00	3.20	3.30	3.40	3.50	3.70	3.80	3.90	4.00	4.10	4.20
25 Yr PWLB rate	3.60	3.80	3.90	4.00	4.10	4.20	4.30	4.40	4.50	4.60	4.60
50 Yr PWLB rate	3.60	3.80	3.90	4.00	4.10	4.20	4.30	4.40	4.50	4.60	4.60

Table 1: Capita Asset Services Interest Rate Forecast (%)

Annual Investment Strategy

9. Treasury Management Strategy Statement (TMSS) for 2015/16 was approved by Council on 26 February 2015. There are no policy changes to the TMSS and the details in this report do not amend the TMSS. The Council's Annual Investment Strategy, which is incorporated in the Strategy, outlines the Council's investment priorities as follows:
- security of capital
 - liquidity
 - yield
10. The Council continues to aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity and the Councils risk appetite.

Investment Portfolio

11. Investment rates available in the market have continued at historical low levels. The average level of cash balances available for investment purposes in the 6 months of 2015/16 was £100.629m (£73.160m for the same 6 month period in 14/15). The level of cash balances available is largely dependent on the timing of the Council's cash flow as a result of precept payments, receipt of grants, receipt of developers contributions, borrowing for capital purposes, payments to its suppliers of goods and services and spend progress on the Capital Programme. These funds are therefore only available on a temporary basis dependant on cash flow movement.
12. The average level of cash balances has increased compared to a year ago due to a number of factors. These include the receipt of developers contributions in advance of the associated profiled spend and receipt of funding from NHS England.
13. This increase allows the Council to use cash balances instead of taking long term debt to finance the Councils capital programme. This strategy remains a prudent one as investment rates continue to be lower than borrowing rates when viewed on a short term projection but consideration is being given to securing long term funding currently as long term rates are at attractive levels.
14. Investment return (calculated as the amount of interest earned against the average cash balance for the period) during the first six months of 2015/16 is shown in table 2:

	2014/15 (full year)	2015/16 (part year to date)
CYC Rate of return	0.52%	0.52%
<u>Benchmarks</u>		
Bank of England Base Rate	0.50	0.50
7 Day LIBID	0.35	0.38
1 Month LIBID	0.37	0.40

Table 2: CYCs investment rate of return performance vs. benchmarks

15. The average rate of return is broadly comparable to 2014/15 reflective of the continued uncertainty regarding the rate of growth in both the Eurozone and UK and the continued uncertainty over the Eurozone sovereign debt positions.
16. Figure 1 shows the interest rates available on the market between 7 days and 1 year and also the rate of return that the Council has achieved for the first six months of 2015/16. It shows that favourable / competitive interest rates have been obtained for investments whilst ensuring the required liquidity and security of funds for the Council.

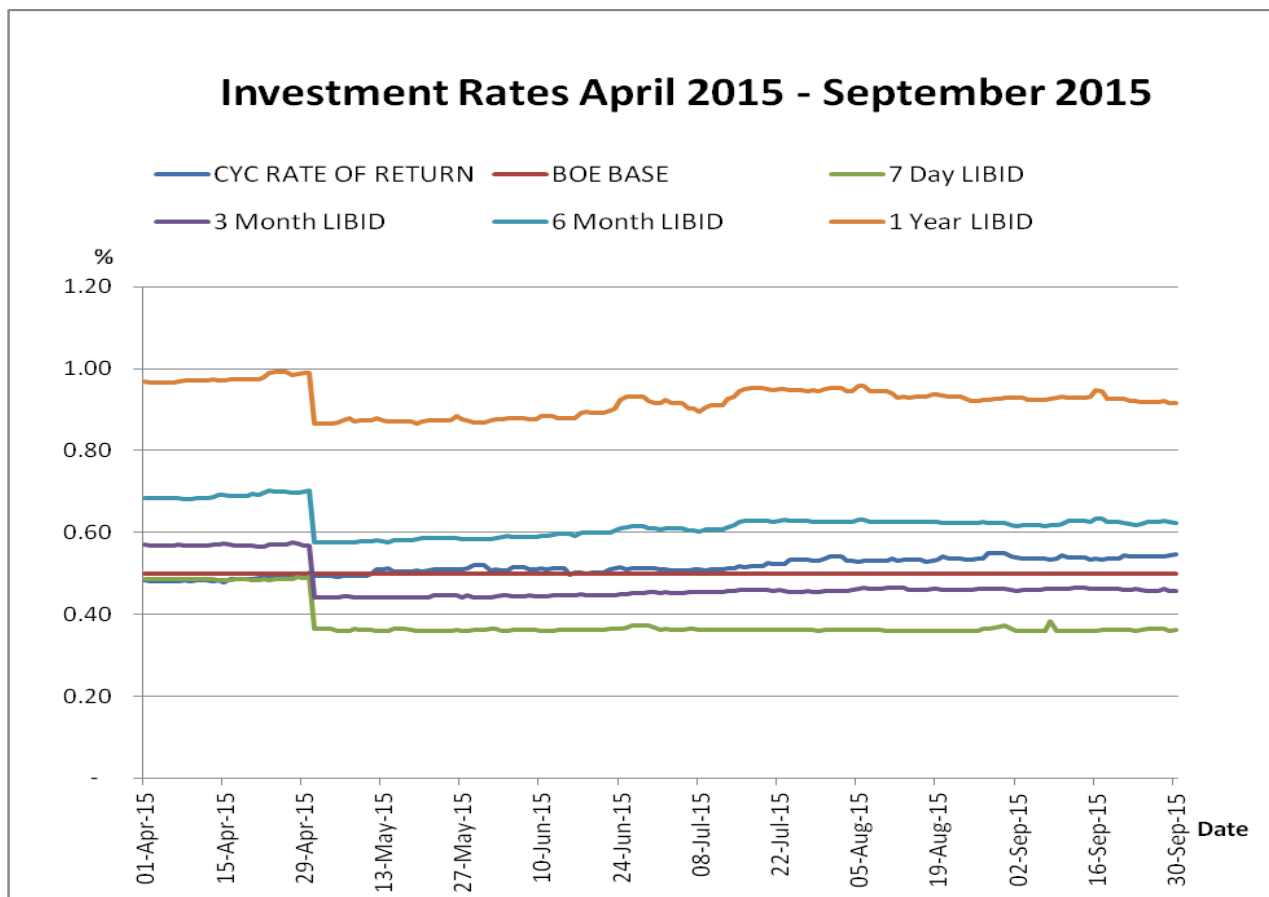


Figure 1 CYC Investments vs Money Market Rates

17. Figure 2 shows the investments portfolio split by deposits in short term call accounts, fixed term investments and money market funds (MMFs).
18. All of the MMFs have an AAA credit rating, the call accounts are all AA-, A+ or A rated and the fixed terms investments are A+ or A rated.

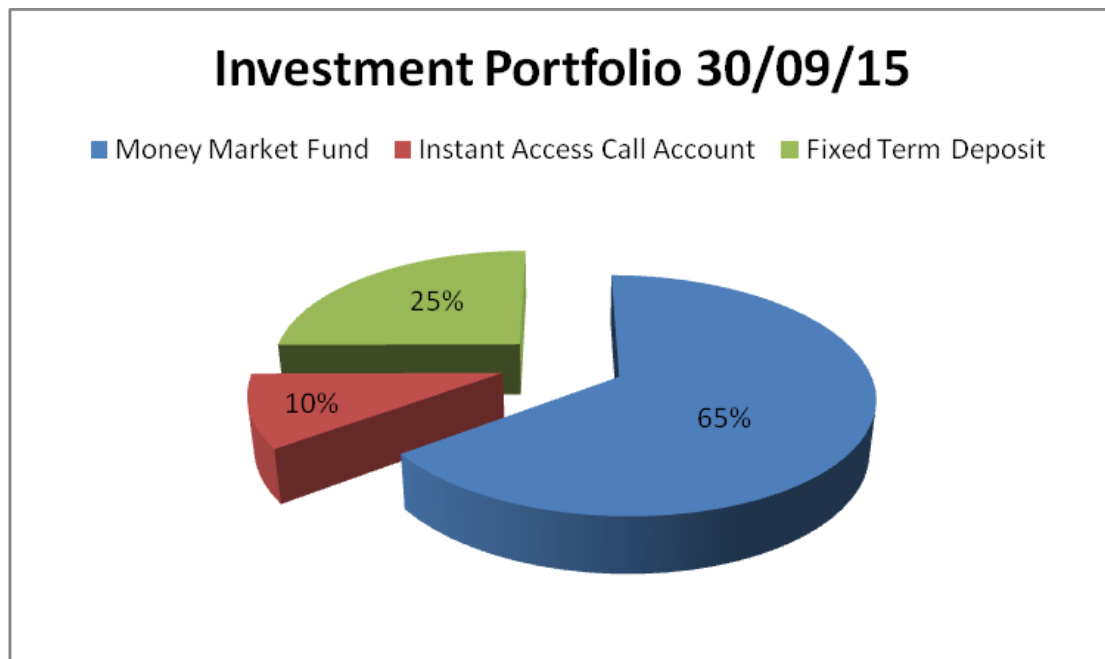


Figure 2 Investment Portfolio by type at 30th September 2015

Borrowing Portfolio

19. The Council undertakes long term borrowing in accordance with the investment requirements of the capital programme and all borrowing is therefore secured for the purpose of its asset base.
20. The level of borrowing taken by the Council is determined by the Capital Financing Requirement (the Councils underlying need to borrow for capital expenditure purposes). Borrowing needs to be affordable, sustainable and prudent.
21. Under regulation, the Council can borrow in advance of need in line with its future borrowing requirements in accordance with the Capital Financing Requirement. Markets are therefore constantly monitored and analysed to ensure that advantage is taken of favourable rates and the increased borrowing requirement is not as dependant on interest rates in any one year.
22. On the reverse side, the Council's level of borrowing can also be below the Capital Financing Requirement. This would mean that instead of increasing the Council's level of borrowing, surplus funds held for investment purposes would be utilised. In the current interest rate environment where investment rates on holding investments are significantly below borrowing rates consideration is given to the value of taking borrowing or whether it is better for the council to keep investment balances lower.

23. Although the treasury management function has not taken any new borrowing during 2015/16 it continues to closely monitor the borrowing environment for opportunities that arise and receives daily updates from Capita services in respect of borrowing timings and amounts.
24. The Council's long-term borrowing started the year at a level of £269.115m. The HRA amounts to 52% of the borrowing portfolio at £140.344m and the GF is 48% with borrowing at £128.771m, a current total of £269.115m.
25. Figure 3 illustrates the 2015/16 maturity profile of the Council's debt portfolio to 30th September 2015 split by general fund and HRA. The maturity profile shows that there is no large concentration of loan maturity in any one year, thereby spreading the interest rate risk dependency.

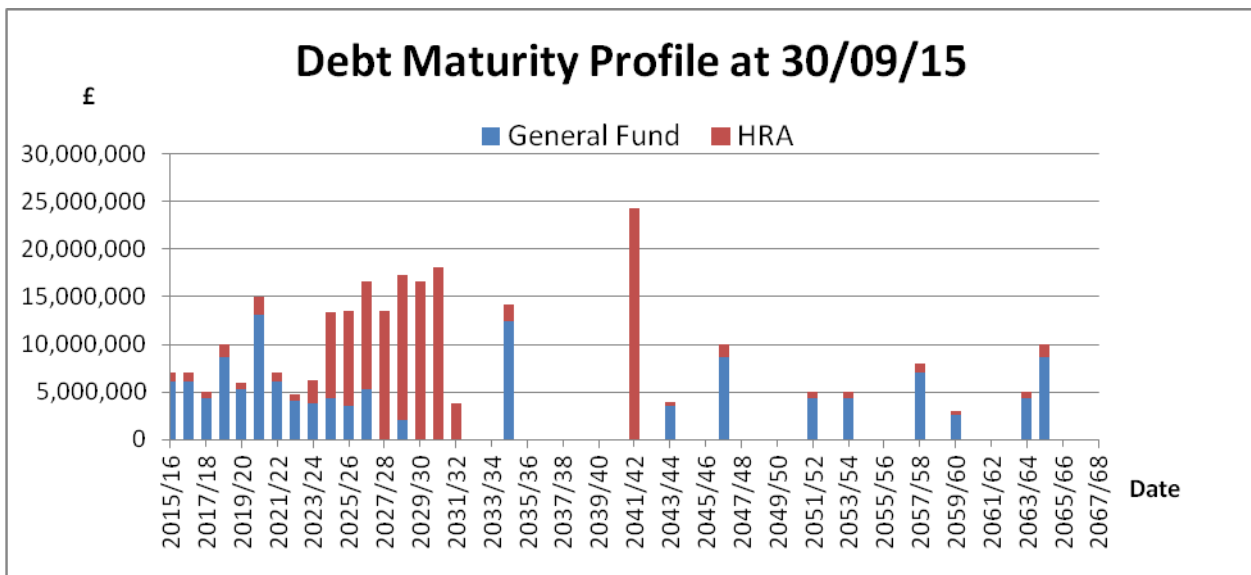


Figure 3 – Debt Maturity Profile 15/16 up to 30th September 2015

26. Table 3 shows that spreads have widened in the first 6 months of the year. The spread is above 1.00%, apart from 1 year duration. As a point of reference, for the same period last year the spread in similar periods was a maximum of 0.54%. Table 3 shows the variations in PWLB borrowing rates over the course of the year to date:

	PWLB borrowing rates by duration of loan				
	1 Year	5 Year	10 Year	25 Year	50 Year
Yr High	1.69%	3.19%	3.91%	4.5%	4.48%
Yr Low	1.28%	1.97%	2.42%	3.06%	3.02%
Yr Avg	1.46%	2.58%	3.22%	3.82%	3.77%
Spread	0.41%	1.22%	1.49%	1.44%	1.46%

Table 3 – PWLB Borrowing Rates (%) – to 30th September 2015

Compliance with Prudential Indicators

27. The Prudential Indicators for 2015/16, included in the Treasury Management Strategy Statement are based on the requirements of the Council's capital programme and approved at Budget Council on 26 February 2015.
28. It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits" included in the Prudential Indicators. The monitoring of the Prudential Indicators is attached at Annex A. During the financial year 2015/16 to date the Council has operated within the treasury limits and Prudential Indicators set out.

Consultation and Options

29. The report shows the six month position of the treasury management portfolio in 2015/16. The treasury management budget was set in light of the council's expenditure plans and the wider economic market conditions, based on advice from Capita. It is a statutory requirement to provide the information detailed in the report.

Council Plan

30. The treasury management function aims to achieve the optimum return on investments commensurate with the proper levels of security, and to minimise the interest payable by the Council on its debt structure. It thereby contributes to all Council Plan priorities.

Financial

31. The financial implications are in the body of the report.

Human Resources Implications

32. There are no HR implications as a result of this report.

Equalities

33. There are no equalities implications as a result of this report.

Legal Implications

34. Treasury Management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.

Crime and Disorder Implications

35. There are no crime and disorder implications as a result of this report.

Information Technology Implications

36. There are no IT implications as a result of this report.

Property Implications

37. There are no property implications as a result of this report.

Risk Management

38. The Treasury Management function is a high-risk area because of the level of large money transactions that take place. As a result of this there are procedures set out for day to day treasury management operations that aim to reduce the risk associated with high volume high value transactions. These are detailed in the Treasury Management Strategy Statement at the start of each financial year.

Contact Details

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Sarah Kirby Principal Accountant 01904 551635	Report Approved	Y	Date 12/11/15
Wards Affected: All			
For further information please contact the author of the report			

Specialist Implications:
Legal – Not Applicable
Property – Not Applicable
Information Technology – Not Applicable

Annexes

Annex A – Prudential Indicators 2015/16

Glossary of abbreviations used in the report:

BOE – Bank of England
CIPFA – Chartered Institute of Public Finance and Accountancy
CFR – Capital Financing Requirement
CPI - Consumer Price Index
EU – European Union
GDP – Gross Domestic Product
GF – General Fund
HRA – Housing Revenue Account
LIBID – London Interbank Bid Rate
MMF – Money Market Fund
MRA – Major Repairs Allowance
PMI – Purchasing Managers Index
PWLB – Public Works Loans Board
TMSS – Treasury Management Strategy Statement

Prudential Indicators 15-16 Mid Year

	Prudential Indicator		2015/16	2016/17	2017/18	2018/19	2019/20
1	Capital Expenditure To allow the authority to plan for capital financing as a result of the capital programme and enable the monitoring of capital budgets.	GF HRA <u>Total</u>	£76.5m £17.8m £94.3m	£29.7m £13.4m £43.1m	£17.5m £8.6m £26.1m	£14.2m £7.2m £21.4m	£13.9m £8.5m £22.4m
2	Ratio of financing costs to net revenue stream An estimate of the cost of borrowing in relation to the net cost of Council services to be met from government grant and council taxpayers. In the case of the HRA the net revenue stream is the income from rents.	GF HRA <u>Total</u>	13.48% 13.46% 12.47%	13.55% 13.54% 13.55%	13.60% 13.51% 13.58%	13.54% 13.48% 13.53%	12.94% 13.48% 13.06%
3a	Incremental impact of capital investment decisions – Council Tax Shows the actual impact of capital investment decisions on council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council tax is used in financing the capital programme and any related revenue implications that flow from it.	Increase in band D Council Tax per annum	£20.25	£27.87	£8.47	£5.61	£5.26
3b	Incremental impact of capital investment decisions – Housing Rents Shows the actual impact of capital investment decisions on HRA rent. For CYC, the HRA planned capital spend is based on the government's approved borrowing limit so there is no impact on HRA rents.		£0.00	£0.00	£0.00	£0.00	£0.00

	Prudential Indicator		2015/16	2016/17	2017/18	2018/19	2019/20
4	<p>CFR as at 14/15 Outturn Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing increases the CFR.</p>	<p>GF</p> <p>HRA</p> <hr/> <p>Total</p>	<p>£198.8m</p> <p>£140.3m</p> <hr/> <p>£339.1m</p>	<p>£198.9m</p> <p>£140.3m</p> <hr/> <p>£339.2m</p>	<p>£195.5m</p> <p>£140.3m</p> <hr/> <p>£335.8m</p>	<p>£191.5m</p> <p>£140.3m</p> <hr/> <p>£331.8m</p>	<p>£188.2m</p> <p>£140.3m</p> <hr/> <p>£328.5m</p>
5	<p>External Debt To ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose and so not exceed the CFR.</p>	<p>Gross Debt</p> <p>Invest</p> <hr/> <p>Net Debt</p>	<p>£294.6m</p> <p>£50.0m</p> <hr/> <p>£244.6m</p>	<p>£300.4m</p> <p>£25.0m</p> <hr/> <p>£275.4m</p>	<p>£300.3m</p> <p>£25.0m</p> <hr/> <p>£275.3m</p>	<p>£305.1m</p> <p>£20.0m</p> <hr/> <p>£285.1m</p>	<p>£304.0m</p> <p>£20.0m</p> <hr/> <p>£284.0m</p>
6a	<p>Authorised Limit for External Debt The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could be sustained for only a short period of time. The council sets an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long-term liabilities for 3 financial years.</p>	<p>Borrowing / Other long term liabilities Total</p>	<p>£357.7m</p> <p>£30.0m</p> <hr/> <p>£387.7m</p>	<p>£357.7m</p> <p>£30.0m</p> <hr/> <p>£387.7m</p>	<p>£357.7m</p> <p>£30.0m</p> <hr/> <p>£387.7m</p>	<p>£357.7m</p> <p>£30.0m</p> <hr/> <p>£387.7m</p>	<p>£357.7m</p> <p>£30.0m</p> <hr/> <p>£387.7m</p>

	Prudential Indicator		2015/16	2016/17	2017/18	2018/19	2019/20
6b	<p>Operational Boundary for external debt The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed authority limit. It is a direct link between the Council's plans for capital expenditure; our estimates of the capital financing requirement; and estimated operational cash flow for the year.</p>	Borrowing Other long term liabilities Total	£347.7m £10.0m <u>£357.7m</u>	££347.7m £10.0m <u>£357.7m</u>	£347.7m £10m <u>£357.7m</u>	£347.7m £10.0m <u>£357.7m</u>	£347.7m £10.0m <u>£357.7m</u>
7	Adoption of the CIPFA Code of Practice for Treasury Management in Public Services		✓				
8a	<p>Upper limit for fixed interest rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 5 years. The Council should not be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts.</p>		117%	109%	109%	107%	107%
8b	<p>Upper limit for variable rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 5 years. The Council should not be overly exposed to fluctuations in interest rates which can have an</p>		-17%	-9%	-9%	-7%	-7%

Annex A

	Prudential Indicator		2015/16	2016/17	2017/18	2018/19	2019/20
	adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts.						
9	<p>Upper limit for total principal sums invested for over 364 days</p> <p>The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year. The limits are set as a percentage of the average balances of the investment portfolio.</p>		£0	£0	£0	£0	£0
10	<p>Maturity structure of new fixed rate borrowing</p> <p>To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long-term loans mature in different periods thus spreading the risk.</p>	Maturity profile of debt against approved limits	Maturity Profile	Debt (£)	Debt (£)	Approved Minimum Limit	Approved Maximum Limit
			Less than 1 yr	£12.0m	4%	0%	30%
			1 to 2 yrs	£5.0m	2%	0%	30%
			2 to 5 yrs	£28.0m	10%	0%	40%
			5 to 10 yrs	£39.3m	15%	0%	40%
			10 yrs and above	£184.8m	69%	30%	90%
			Total	£269.1m	100%	-	-